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ABSTRACT

This publication provides background and practical information for those interested in doing business with China. The United States officially recognized the People's Republic of China (PRC) on January 1, 1979. Chinese leaders view international trade as an important factor in transforming China into a modern industrial state as well as an instrument to foster the overall political and economic goals of making China a strong unified nation capable of exercising leadership in Asia and the world. China now has trading relations with more than 150 countries. Prior to approaching the Chinese foreign trade corporations (FTCs), many firms may want to assess the potential PRC market for their goods and services. Various groups in the United States attempt to survey Chinese industries and to assess the potential for American goods and services. Some of these may be found as sectoral reports in the "China Business Review" published by the National Council for United States-China Trade. The Commerce Department also has an ongoing effort to develop further market information. The publication lists Chinese FTCs describing the commodities handled by each. Specific steps for establishing contact with FTCs are discussed. The document then goes on to describe other trade related entities of the People's Republic of China. In China, end-users play a major role in deciding what commodities are to be procured. One excellent way to contact end-users in an attempt to influence their decisions is by exhibiting equipment where engineers and other representatives of consuming entities have an opportunity to observe and ask questions. Various Chinese fairs are described. Other topics discussed in the publication include currency, shipping and insurance, United States regulations governing trade with the PRC, trademarks, inventions and copyrights, and travel to China. United States domestic exports and imports are listed in the appendices. (Author/RM)

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DOING BUSINESS WITH CHINA



U.S. DEPARTMENT OF COMMERCE
Industry and Trade Administration

February 1979

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Introduction

U.S. Policy

The United States officially recognized the People's Republic of China (PRC) on January 1, 1979. The status of the U.S. Liaison Office in Beijing (Peking) and the PRC Liaison Office in Washington is to be raised to that of an embassy on March 1, 1979.

This action by the two countries was the culmination of an effort set in motion by President Nixon's trip to China in February 1972. The Shanghai Communiqué issued on February 28, 1972, signified a dramatic shift in Sino-American affairs, ending the near absence of relations with the Mainland that dated back to before the Korean War. As a result, liaison offices were opened in the respective capitals in May 1973, the National Council for U.S.-China Trade was formed, and trade between the United States and China began to expand. It is the policy of the U.S. Government to promote trade in nonstrategic goods with the PRC.

Although trade in 1978 exceeded \$1 billion, unresolved trade and commercial issues continue to hamper its growth.* Neither country enjoys most-favored-nation (MFN) tariff treatment, and China does not have access to Export-Import Bank loans and guarantees and other financial programs of the U.S. Government, except for CCC (Commodity Credit Corporation) agricultural credits. The unresolved claims and assets issue inhibits or precludes direct banking relationships, direct shipping or airline connections in flag carriers, and the exchange of trade exhibitions. It is the policy of the U.S. Government to seek resolution of these and other barriers to the full development of trade and commercial relations.

PRC Foreign Trade Policy

Its leaders view international trade as an important factor in transforming China into a modern industrial state, as well as an instrument to foster the overall political and economic goals of making China a strong unified nation capable of exercising leadership in Asia and the world. Import policy is directed at the acquisition of capital goods that embody the modern technology needed to develop China's industry. Trade also is used to overcome serious shortcomings and bottlenecks in domestic production.

* Appendix 1 lists U.S. domestic exports to China for January-November 1978, and Appendix 2 lists U.S. general imports from China for the same period.

A NOTE ON PINYIN

On January 1, 1979, China adopted officially the "pinyin" system of writing Chinese characters in the Latin alphabet. A system of romanization invented by the Chinese, pinyin has been widely used for years in China on street signs and commercial establishment signs, as well as in elementary Chinese textbooks as an aid in learning the Chinese characters. Now pinyin is to replace the familiar Wade-Giles romanization system even in China's English language publications destined for foreign distribution. Therefore, pinyin is used throughout this report, giving the Wade-Giles romanization in parentheses after the first occurrence of each pinyin expression. Some words frequently used in this report are given below in Wade-Giles and pinyin.

WADE-GILES	PINYIN
Peking	Beijing
Kwangchow/Canton	Guangzhou
Tung Fang	Dong Fang
Erh Li Kou	Erligou
Hsi Chiao	Xijiao
Kuanghua	Guanghua
Mao Tse-tung	Mao Zedong
Teng Hsiao-ping	Deng Xiaoping
Hua Kuo-feng	Hua Guofeng
Chou En-lai	Zhou Enlai

A prevailing theme in PRC foreign trade policy has been economic independence. Until recently, China has avoided long-term foreign credit, preferring to scale imports to the amount of foreign exchange available from export earnings. However, the goal to thoroughly modernize China by the year 2000 and the objectives of the Ten-Year Plan (1976-85) are so ambitious that China has found it necessary to rely on some foreign financing. Until recently the PRC had attempted to become self-sufficient through development of its own productive capacity; now it realizes that the industrialization program can not be successfully completed in the desired time period without a major infusion of foreign plant, equipment, and technology. Generally, the PRC seeks to avoid becoming too dependent on any one country as a source of trade.

Development of foreign trade and economic relations with most nations of the world is an important part of China's present policy to maximize the potential contribution of foreign trade to economic development. China now has trading relations with more than 150 countries. To date China has joined very few international economic or financial organizations, but Beijing's interest in arrangements that promote trade should increase as the country becomes more involved in international commerce.

Approaching the Market

Researching the Market

Prior to approaching the Chinese foreign trade corporations, many firms may want to assess the potential PRC market for their goods and services. This is a difficult process since the Chinese do not issue requests for global tenders and publish little about their plans that permit an accurate assessment of the market.

For the potential exporter, it is important to understand that the Five- and Ten-Year Plans set out general goals, while the annual plan provides more specific targets, production levels, and allocates resources needed to achieve plan objectives. Emphasis is placed on the supply of material and equipment from domestic resources and, while the long-standing policy of "self-reliance" has been modified, it is by no means dead.

When the requirements cannot be met from domestic resources, however, the foreign trade corporations in Beijing are commissioned to turn to foreign sources of supply. In 1978, for example, they probably spent about \$10 billion on imports. Generally, the Chinese will allocate their scarce hard currency resources to the purchase of agricultural commodities and industrial products needed for modernization, allowing little for the import of consumer goods.

Various groups in the United States attempt to survey Chinese industries to assess the potential for American goods and services. Some of these may be found as sectoral reports in the *China Business Review* published by the National Council for U.S.-China Trade. The Commerce Department also has published studies and has an ongoing effort to develop further market information.

Foreign Trade Corporations

Foreign trade is a State monopoly controlled by the Ministry of Foreign Trade. It is conducted exclusively through a network of corporations according to priorities established by the country's economic plan. The trade corporations are organized by commodities or services for which they are responsible. They have main offices in Beijing with branch offices in various industrial centers. The following is a listing of Chinese Foreign Trade Corporations (FTC),

commodities handled by each, with their street, cable and telex addresses.

China National Arts and Crafts Import and Export Corporation
82 Dong'anmen Street
Beijing, People's Republic of China
Cable: ARTCHINA BEIJING
Telex: 22165 CNART CN BEIJING

Pottery and porcelain, drawn-work and embroidered articles, ivory carvings, jade and semiprecious stone carvings, pearls and gems, jewelry, lacquer wares, cloisonne wares, Chinese paintings and calligraphy, antiques, straw, wicker, bamboo and rattan articles, furniture, artistic handicrafts, and other handicrafts for daily use.

China National Cereals, Oils and Foodstuffs Import and Export Corporation
82 Dong'anmen Street
Beijing, People's Republic of China
Cable: CEROILFOOD BEIJING
Telex: 22111 CEROF CN or 22281 CEROF CN BEIJING

Cereals, edible vegetable and animal oils and fats, vegetable and animal oils and fats for industrial use, oilseeds, seeds, oil cakes, feedstuffs, salt, edible livestock and poultry, meat and meat products, eggs and egg products, fresh fruit and fruit products, aquatic and marine products, canned goods of various kinds, sugar and sweets, wines, liquors and spirits of various kinds, dairy products, vegetables and condiments, bean flour noodles, grain products, nuts and dried vegetables (some nuts, dried fruits, and vegetables also carried by Native Produce).

China National Chemicals Import and Export Corporation
Erligou, Xijiao
Beijing, People's Republic of China
Cable: SINOCHEM BEIJING
Telex: 22243 CHEMI CN BEIJING

Organic and inorganic chemicals, chemical raw materials, rubber, rubber tires, and other rubber products, crude petroleum and petroleum and petrochemical products (except aromatics), chemical fertilizers, insecticides, fungicides, antibiotics and pharmaceuticals, medical instruments, apparatus and supplies, dyestuffs, pigments, and paints.

**China National Light Industrial Products
Import and Export Corporation**
82 Dong'anmen Street
Beijing, People's Republic of China
Cable: INDUSTRY BEIJING
Telex: 22282 LIGHT CN BEIJING

General merchandise of all kinds, paper, stationery, musical instruments, typewriters, cameras, film, radios, refrigerators, sporting goods, toys, building materials (plywood, insulation board, p.v.c. fittings and pipe, tiles, glass, sanitary ware, etc.) and electrical appliances, clocks and wristwatches, fishnets, net yarns, leather shoes, and leather products.

China National Machinery Import and Export Corporation
Erligou, Xijiao
Beijing, People's Republic of China
Cable: MACHIMPEX BEIJING
Telex: 22242 CMIEC BEIJING

Machine tools, presses, hammers, shears, forging machines, diesel engines, gasoline engines, steam turbines, boilers, industrial and institutional refrigeration and air conditioning equipment, mining machinery, metallurgical machinery, compressors and pumps, hoists, winches and cranes, transport equipment (aircraft, railroad, automotive, ships and parts thereof), power and hand tools, agricultural machinery and implements, printing machines, knitting and other textile machines, building machinery, machinery for the chemical, rubber, plastics and other industries, ball and roller bearings, tungsten carbide, electric machinery and equipment, telecommunication equipment, electric and electronic measuring instruments, and scientific instruments (except medical instruments).

China National Metals and Minerals Import and Export Corporation
Erligou, Xijiao
Beijing, People's Republic of China
Cable: MINMETALS BEIJING
Telex: 22241 MIMET CN BEIJING

Steel plates, sheets and strip, steel sections, steel pipe and tube, railway materials, cast iron products, pig iron, ferroalloys, fluorspar, limestone, nonferrous metals, precious rare metals, ferrous ores, nonferrous ores, rare earths, nonmetallic minerals, refractories, coal and coke, cement, granite, marble, bricks and other construction materials, and hardware.

China National Native Produce and Animal By-Products Import and Export Corporation
82 Dong'anmen Street
Beijing, People's Republic of China
Cable: CHINATU HSU BEIJING
Telex: 22283 TUSHU CN BEIJING

Tea, coffee, cocoa, tobacco and cigarettes, fibers (hemp, ramie, jute, sisal, flax, etc.), rosin, manioc, starches, and seeds, cotton linters and waste, timber, certain papers and forest products, waxes, spices, essential oils, aromatic chemicals, nuts, dried fruits and vegetables (see also CEROIL-FOOD), patent medicines and medicinal herbs, fireworks, nursery stock as well as other native produce, including bristles and brushes, horsetails, feathers, down and down products, feathers for decorative use, rabbit hair, goat hair, wool, cashmere, camel hair, easings, hides, leathers, fur mattresses, fur products, carpets, living animals.

China National Technical Import Corporation
Erligou, Xijiao
Beijing, People's Republic of China
Cable: TECHIMPORT BEIJING
Telex: 22244 CNTIC CN BEIJING

Importation of complete plants and technology.

China National Textiles Import and Export Corporation
82 Dong'anmen Street
Beijing, People's Republic of China
Cable: CHINATEX BEIJING
Telex: 22280 CNTEX CN BEIJING

Cotton, cotton yarns, raw silk, steam filature, wool tops, rayon fibers, synthetic and manmade fibers, cotton piecegoods, woolen piecegoods, linen, garments and wearing apparel, knitted goods, cotton and woolen manufactured goods, ready-made silk articles, drawn works.

China National Complete Plant Export Corporation
An Ding Men Wai
Beijing, People's Republic of China
Cable: COMPLANT BEIJING

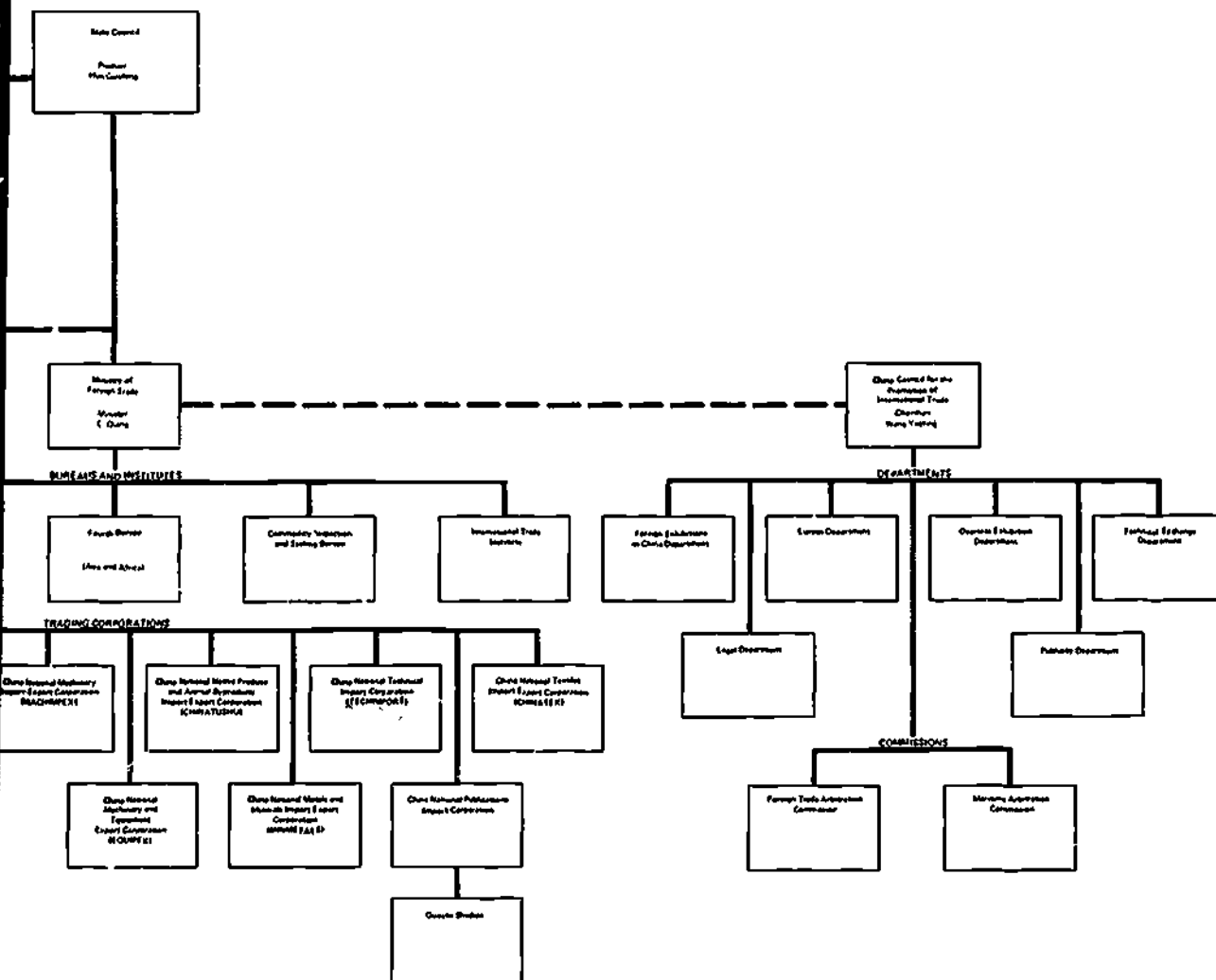
Exporters only of complete factories, works and production units, usually, but not exclusively, as part of an economic aid agreement.

Foreign Trade Organizations o



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the People's Republic of China¹



China National Machinery and Equipment
Export Corporation
12 Fu Xing Men Wai Street
Beijing, People's Republic of China
Cable: EQUIPEX BEIJING

Exporters only of machine tools, forging and pressing equipment, wood-working machinery, measuring and cutting tools, heavy-duty machinery, mining machinery, machinery for petroleum and chemical industries, general utility machinery, agricultural machinery, power-generating machinery, electric generating sets, automobiles, roller bearings, hoisting and transport equipment, building machinery, printing machinery, electric motors, electric devices and equipment, electric instruments and meters, physical instruments, optical instruments, complete equipment for hydroelectric power stations, refrigerating works, ice-making machinery, wood screw machinery, rubber-making and plastic-making machinery.

Establishing Contact

It takes time and patience to enter the China market successfully, whether exports or imports are involved and whether a large or small firm is participating in the transaction. Prior to establishing contact, for any but the simplest purchase transactions, you should give thought to the following questions:

- (1) Am I prepared to invest considerable money initially without assurance of an early return?
- (2) Am I prepared to negotiate the first transaction for up to 1 year or longer?
- (3) Am I prepared to obligate the necessary senior technical talent that will be needed?
- (4) Am I prepared to walk away from an unpromising negotiation at any time?
- (5) Am I prepared to resist granting concessionary terms to penetrate this market?

If some of your answers to these questions are negative, you may want to rethink entering this market.

Generally, the first step in establishing commercial contact, regardless of whether exports or imports are involved, is to determine which of the above FTCs has jurisdiction over the

commodities of interest to you. Then you prepare a proposal and send it to Beijing. If the Chinese are interested in your sales proposal, they may request additional information or a reworking of the proposal based on specifications they provide. In some instances, they may invite you to Beijing to discuss the matter further. If you are buying Chinese goods, you would normally hope to receive an invitation to attend the Chinese Export Commodities Fair in Guangzhou (Kwangchow or Canton). You may wish to request an invitation in the proposal. Sales of some commodities, of course, are negotiated directly by mail, without the need for direct contact. In a few cases, where the Chinese need a commodity, they may contact the American firm directly.

The form of the initial proposal is important, even though the ultimate FTC decision to purchase a commodity rests on the Plan requirements of the Chinese economy. The sales proposal should clearly define the products or product lines you wish the Chinese to focus on. Too often, especially with multidivision corporations or with conglomerates, confusion is created by sending the FTC annual reports or other brochure material describing all product lines. The proposal should be straightforward and sufficiently explicit and technically comprehensive to permit an in-depth evaluation by the Chinese of the products in question. The balance of the material in the proposal, designed to acquaint the FTC with your corporation and other products, may be included, but should be clearly distinguishable from the commodities, technology, or service you hope to sell.

In selling to China, the best approach is to propose a technical exchange or seminar. The basic idea is to select some start-of-the-art developments concerning the manufacture or application of your product, technology, or service and to offer to bring a team of highly qualified technical people to Beijing to discuss them. During 1978, more than 80 American firms and several U.S. delegations held such seminars, as did many firms from Japan and Western Europe. In your proposal, care should be given to detailing the technological and cost advantages of your commodity, and details of design, manufacture, and application should be appended. It is also useful and courteous to invite the Chinese to the United States to see your plant, equipment, or technology in actual operation.

The FTC is interposed between you and the Chinese end-users, at least initially. For this

reason, it is essential to provide the FTC with 20 copies of your proposal. These copies are forwarded to the appropriate planning agency, design institute, or manufacturing entity for review. Unless the FTC has already been commissioned to procure what you are selling, the chances of receiving an invitation to come to China hinge primarily on what the various end-users tell the trade corporation. If the product lines you wish to sell are in different FTCs, it would be best to prepare separate proposals. Firms should always include the words "United States" or "U.S.A." in their company's address. A firm whose name and location are quite well-known in the United States may be totally unfamiliar to the Chinese and cannot be readily identified with the United States.

In addition to the FTC which has jurisdiction over your commodity, there are other places in Beijing where it might be useful to send your proposal. One of these is the Technical Exchange Department of the China Council for the Promotion of International Trade (CCPIT); see CCPIT's address under Other PRC Trade-Related Entities. Also, the Chinese recently have established a number of corporations under respective ministries whose function is to operate plants and other facilities. These corporations probably play a key role in determining what technical seminars are to be heard and what equipment is to be bought. Some of these corporations and their parent ministries are:

China Agriculture Machinery Corporation
(First Ministry of Machine Building)

China Cereals and Oils Corporation (Ministry of Agriculture and Forestry)

China Seed Corporation (Ministry of Agriculture and Forestry)

China Chemical Construction Corporation
(Ministry of Chemical Industry)

China National Chemical Fibers Corporation
(Ministry of Textiles)

China Coal Industrial Technique and Equipment Corporation (Ministry of the Coal Industry)

China National Feedstuffs Corporation
(Ministry of Commerce)

China National Geological Exploration Corporation (State Geology Bureau)

China National Oil and Natural Gas Exploration and Development Corporation

(China Petroleum Corporation and the Ministry of Petroleum)

China Petroleum Corporation (Ministry of Petroleum)

China National Radio Equipment Corporation (Fourth Ministry of Machine Building)

China National Underwater Cable and Construction Corporation (Ministry of Posts and Telegraphs)

China Railway Technical and Equipment Corporation (Ministry of Railways)

China Waste Materials Reclamation Corporation (possibly the Ministry of Public Health)

These corporations may be addressed to the parent ministries in Beijing. It may also be useful to send several copies of the pertinent technical information to:

The Center for Introducing Literature and Samples of New Foreign Products, CCPIT
P.O. Box 1420
Beijing, People's Republic of China

This organization has been set up to keep users of foreign products and technology abreast of the most recent developments. The center does not engage in business negotiations, however. Copies of your proposals, or at least the covering letter also should be sent to:

Commercial Office
Embassy of the People's Republic of China
2300 Connecticut Avenue, N.W.
Washington, D.C. 20008, and

Commercial Officer
Embassy of the United States of America
17 Guanghua Lu
Beijing, People's Republic of China

Should the proposal be put in Chinese? Of course, this is the courteous thing to do and it probably will facilitate the handling of your proposal in the PRC. On the other hand, the number of adequate translation services in the United States that are familiar with the simplified characters used in China is very limited. If your proposal covers products for which the need is unclear, it may be quite wasteful to have a lengthy proposal translated although a translation is probably helpful to the Chinese. If in doubt, have the covering letter translated; this should serve to show your interest. Any proposal in Chinese should be accompanied by the English original.

In your proposal do not overstress past relationships with China. The PRC is more interested in current performance than in any past connections, either prior to 1949 or since then with Taiwan. Naturally words such as Red China or Mainland China and other offensive terms should be avoided; refer to the People's Republic of China or simply China.

If the Chinese are interested in a proposal, they can be expected to reply, even though they may not acknowledge its receipt. However, it takes considerable time—often months—for a proposal to be disseminated and assessed. There may be no reply at all, probably indicating no requirement for such commodities at the time (Appendix 3 contains a list of commodities thought to be of interest to the Chinese). Firms that are convinced that their products mesh with Chinese development priorities should keep their products and literature before the appropriate foreign trade officials. Because of mailing and distribution time lags, 8 to 12 weeks should be allowed before initiating any follow-up activities. In general, it is advisable to follow up periodically with additional material and samples, especially with regard to any product developments that would enhance the initial approach. Any additional literature or samples should be accompanied by a covering letter that refers to the original proposal.

The FTCs alone are responsible for negotiating contracts, although this too may change. In addition to sending copies of proposals to the CCPIT and the various operating corporations under their respective ministries, it may be helpful on occasion to visit the Hong Kong agents of the FTCs. The agents can explain the current situation and usually report fully to their principals in Beijing. In some instances they are allowed to conclude trade deals.

In addition to communicating by mail with the FTCs in Beijing or by visiting their agents in Hong Kong, several other approaches may be taken. These include: Attendance at the Guangzhou (Kwangchow or Canton) Trade Fair; participation in an exhibition in or trade mission to the PRC; contacting PRC commercial/technical missions to the United States; utilizing the services of the U.S. and PRC Embassies in the capitals of the two countries; and becoming a member of, or consulting with, the National Council for U.S.-China Trade.

In general, the Chinese prefer to deal with American firms directly, but will not refuse to negotiate through agents when necessary.

For further information or advice on contacting the Chinese on commercial matters, call or write to:

U.S. Department of Commerce
Industry and Trade Administration
Office of East-West Country Affairs
PRC Affairs Division—Room 4044
Washington, DC 20230
(Telephone: 202-377-3583/4631)

The U.S. and Chinese Embassies

Liaison Offices, opened in the respective capitals of both countries in 1973, become embassies on March 1, 1979. Both embassies contain economic/commercial sections and provide important points of contact for business people from both countries.

While U.S. firms should consider keeping the PRC Embassy in Washington informed of their capabilities and their desire to do business in China, the basic approach to selling in the PRC is through the appropriate FTC in Beijing. The U.S. Embassy in Beijing will assist Americans by providing advice on the FTCs and by generally apprising U.S. business people of the economic situation and commercial opportunities in China. The Embassy has a room with copier, typewriters, and other equipment to service the business visitor. It can arrange the loan of projectors for slide or movie presentations. During 1979, it is expected that a telex connection to service business visitors will be established at the Embassy.

The National Council for U.S.-China Trade

The formation of a National Council for U.S.-China Trade was announced on March 22, 1973. The Council—a nonprofit, private organization maintaining close liaison with the U.S. Government—serves as a forum for the discussion of trade policy and issues. It also serves as a focal point for business contact and the dissemination of information on marketing in the PRC. The Council maintains a business counseling service; it also publishes the *China Business Review* bimonthly. The Council facilitates the reciprocal arrangements of trade missions and trade exhibitions in the United States and China. A related organization, the National Council for U.S.-China Trade Translation Service provides a competent translation service.

To promote these activities the Council maintains a working relationship with the China Council for the Promotion of International

Trade in Beijing and the PRC Embassy in Washington. Individuals and firms interested in these activities should consult either the National Council or the PRC Affairs Division within Commerce's Industry and Trade Administration. The National Council may be reached at Suite 350, 1050 17th Street, N.W., Washington, D.C. 20036 or by phone at (202) 331-0290/0294.

Other PRC Trade-Related Entities

Bank of China (BOC)
17 Xijiaomingsiang
Beijing, People's Republic of China
Cable: HOCHUNGHUO BEIJING
Cable for all branches CHUNGKUO

The BOC handles all of China's external financial dealings, finances the FTCs, and for all intents and purposes acts as the foreign branch of the People's Bank of China, China's national bank. The BOC has branches throughout China and four abroad (Hong Kong, Singapore, London and Luxembourg). It also maintains corresponding banking relationships with scores of foreign banks, of which 30 or so have branches in the United States.

China Council for the Promotion of International Trade (CCPIT)
4 Taipingqiao Street
Beijing, People's Republic of China
Cable: COMTRADE BEIJING

Although the CCPIT is said to be a non-governmental "public" organization, it is an important part of China's foreign trade structure. As such it works with the Ministry of Foreign Trade and the FTCs on China's external trade and serves as a liaison between China's trade enterprises and their counterparts abroad. Its responsibilities include informing foreign trade organizations of China's trade and keeping abreast of developments in foreign markets; arranging economic and trade-related exchanges, which include Chinese exhibitions abroad as well as foreign exhibitions in the PRC; and registration of trademarks. The CCPIT does make "unofficial" trade agreements with foreign organizations in its own name. Through its Foreign Trade Arbitration Commission and Maritime Arbitration Commission the CCPIT has responsibility for settlement of legal disputes related to foreign trade and maritime affairs.

China National Chartering Corporation
Erligou, Xijiao
Beijing, People's Republic of China
Cable: ZHONGZU BEIJING
Telex: 22153 TRANS CN; 22154 TRANS CN; 22265 TRANS CN

Under the direction of China National Foreign Trade Transportation Corporation, this corporation charters foreign vessels and books shipping space required for Chinese import and export cargoes. It also does similar business on behalf of principals located abroad. Canvasses cargoes for ship owners.

China National Export Commodities Packaging Corporation
2 Chang'an Street
Beijing, People's Republic of China
Cable: CHINAPACK BEIJING

It supplies packing materials for export commodities.

China National Foreign Trade Transportation Corporation
Erligou, Xijiao
Beijing, People's Republic of China
Cable: ZHONGWAIYUN BEIJING
Telex: 22153 TRANS CN; 22154 TRANS CN; 22265 TRANS CN

This corporation arranges customs clearance and delivery of all import/export cargoes by land, sea, and air, or by post. It may act as authorized agent clearing and delivering goods in transit through Chinese ports. In addition, it arranges marine and other insurance and institutes claims on behalf of cargo owners on request.

China Ocean Shipping Company
6 Dongchang'an Street
Beijing, People's Republic of China
Cable: COSCO BEIJING
Telex: 22264 CPC PK CN

The company engages in cargo and passenger services, handles clearing of foreign ships and booking of shipping space and transshipment cargo.

China National Publications Import Corporation
P.O. Box 88
Beijing, People's Republic of China
Cable: PUBLIM BEIJING

China's importer of books and periodicals.

Guozi Shudian

P.O. Box 399

Beijing, People's Republic of China

Cable: GUOZI BEIJING

Guozi Shudian exports China's books and periodicals and arranges subscriptions to Chinese newspapers and periodicals on behalf of foreign readers.

People's Insurance Company of China

108 Xijiaomingziang

P.O. Box 2149

Beijing, People's Republic of China

Cable: 42001 BEIJING

Telex: 22102 PICC

This company provides international trade and marine risk underwriting at competitive rates. It has overseas agents in leading countries.

Scientific and Technical Association

31 Ganmianhutong

Beijing, People's Republic of China

With the CCPIT, this organization plays a role in and may be consulted on arranging scientific and technical symposia in China. It is responsible for planning scientific research and development and plays a lead role in organizing and controlling the professional societies, such as the Society of Automation, Society of Electronics, and many others.

Some of the trade organizations have agents in Hong Kong. These agents, their addresses, and the FTCs they represent are as follows:

China Resources Company (CRC)

Bank of China Building

Des Voeux Road Central

Hong Kong

Cable: CIRECO HONG KONG

CRC represents China National Machinery Import and Export Corp., China National Chemicals Import and Export Corp., China National Metals and Minerals Import and Export Corp., and China National Textiles Import and Export Corp.

Far East Enterprises Corporation (FARENCO)

Bank of China Bldg.

Des Voeux Road Central

Hong Kong

FARENCO represents the China Foreign Trade Transportation Corporation and

arranges transshipment of goods to and from the PRC through Hong Kong.

Hua Yuan Company

37-39 Connaught Road West

Hong Kong

Cable: HYCOMP HONG KONG

Hua Yuan represents China National Light Industrial Products Import and Export Corp., and China National Native Produce and Animal By-Products Import and Export Corporation.

Ng Fung Hong

Bank of China Building

Hong Kong

Cable: NGFUNG HONG KONG

Ng Fung Hong represents China National Cereals, Oils, and Foodstuffs Import and Export Corp.

Teck Soon Hong Ltd.

37-39 Connaught Road West

Hong Kong

Cable: STILLON HONG KONG

Teck Soon Hong represents China National Native Produce and Animal By-Products Import and Export Corp., China National Light Industrial Products Import and Export Corp., and China National Textiles Import and Export Corp.

Ministries, Enterprises, and Other End-Users.

—The FTCs import commodities and technology on behalf of ministries, enterprises, and other consuming entities in the PRC. The operating corporations serving some of the ministries have already been mentioned. It would be ideal to reach all end-users, since they play a major role in deciding what commodities are to be procured within the constraints of plans and budgets. If you are invited to Beijing for discussions with the FTC, especially if you are engaged in a technical seminar or exchange, you will be aware that end-users are present during these discussions.

Another way to contact end-users in an attempt to influence their decisions is by exhibiting equipment in China where engineers and other representatives of consuming entities have an opportunity to observe and ask questions about the equipment being demonstrated. The U.S. Government will be working to remove the remaining barriers to exchanging trade exhibitions between the two countries. Some U.S. firms with subsidiaries in Canada, or Western Europe have managed to exhibit their

equipment in Canadian, British, or French exhibitions in Beijing.

Useful contact with end-users may be made when they visit the United States or third countries as members of trade missions and delegations. In any event, if PRC end-users can be reasonably identified, it may be useful to communicate by letter with them, outlining the technical and economic advantages of given products. It also is possible to get information about your products to Chinese end-users by advertising in Chinese in publications about American industrial products that are published by American firms. (See Bibliography.)

The Guangzhou Trade Fair

The Chinese Export Commodities Fair in Guangzhou, sponsored by the foreign trade corporations, is held twice a year—in the Spring (April 15–May 15) and Fall (October 15–November 15). While the Fair is heavily export-oriented and only Chinese commodities are displayed, the FTCs do purchase foreign products during this event. Since its inception in 1957, the Fair has grown steadily. In the Spring of 1974 it was moved to a new building complex in the Liu Hua district on the outskirts of Guangzhou. The new exhibition hall is near the new train station serving Hong Kong, Beijing, and Shanghai and is a 10-minute walk from the Dong Fang Hotel, which accommodates U.S. business people. Completion of the new complex indicates that the Fair, now accounting for roughly half of China's exports, will continue to play an important role in China's trade.

The Fair offers the best opportunity for U.S. importers to transact business with China, and it affords U.S. exporters some chance to approach the FTCs. It provides a unique opportunity to assess the type, availability, and price of various Chinese products. By viewing the new products exhibited at each Fair, foreign business people may obtain a convenient overview of the technological progress of the Chinese people, and the direction such progress is taking.

Only business people or firms specifically invited by an official PRC agency may attend the Fair. In the past, invitations generally were extended to firms with whom the PRC already had well-established relations or with whom it felt there was a good possibility of doing business. In recent years, however, both the

number of invitations issued to and the attendance of American business people have had marked increases. At the Fall 1978 Fair, for example, about 600 American business people attended and did approximately \$140 million worth of business.

Business people who wish to attend should request an invitation from the appropriate foreign trade corporation or one of its agents, such as the China Resources Company (CRC). The commercial office of the PRC Embassy in Washington is also able to assist in securing an invitation to the Fair. Invitations are sometimes obtained by writing to the Chinese Export Commodities Fair, Guangzhou, People's Republic of China.

Invitations are usually extended to firms rather than to individuals. It is advisable to request places for as many buyers as necessary to properly conduct discussions on the range of commodities you may wish to purchase. Individuals representing a firm must show some evidence, usually in the form of a letter from the company, that they are the ones designated by the firm to attend the fair.

Reaching the Fair.—Travel from Hong Kong to Guangzhou takes about 6 hours by train. Changing trains at the border takes several hours during which time a meal is served and customs clearance is carried out. Starting in late 1978, hydrofoil connections between Hong Kong and Guangzhou began speeding up the travel significantly. Some air connections between the two cities also commenced, but it is uncertain whether they will become permanent. On arrival in Guangzhou, foreign business people are met by a representative of the China International Travel Service and taken to their hotel, which in most cases is the Dong Fang.

Conducting Business.—To be able to enter the Fair exhibition hall and view products or discuss business, it is necessary first to register at one of the liaison offices set up by Fair authorities in the three main hotels accommodating foreign visitors. Upon presentation of the letter of invitation and identification, the liaison office issues the visitor a numbered badge that constitutes a door pass and can be used as a convenient form of identification anywhere in Guangzhou. After registration the visiting business people may request the liaison office to make an appointment for them with

the appropriate FTC officials. The liaison office can also arrange for business representatives to attend various cultural events and visit local factories and communes during their free time. In general, the liaison office acts as the Fair authorities' representative in providing for all the needs of foreign business visitors.

If business people wish, they can make their own appointments by directly approaching FTC officials on the floor of the exhibition hall. Each of the eight major exporting FTCs has permanently assigned quarters in the exhibition hall where its products are exhibited. Representatives of FTCs can be found at tables set up near product exhibits in their designated areas. They can be approached during business hours, which are from 8 a.m. to noon and 2 to 5 p.m. daily except Sunday. Discussion may take place at these tables or in special discussion rooms. Importers of Chinese products known to be in short supply may in some cases find it advantageous to approach relevant FTC officials promptly after the opening of the Fair. If an importer already has established relations with certain officials, writing to them prior to the Fair about products and quantities desired may facilitate discussions at the Fair. The FTC supplies the necessary interpreters; of course, understanding is improved if the visitor speaks Mandarin Chinese.

Discussions may cover any item of interest to either side, including price, quantity, packaging, delivery schedules, and such things as meeting U.S. labeling laws, U.S. food and drug requirements, tailoring goods to U.S. specifications, and use of U.S. trademarks. At recent Fairs, some FTCs have shown increasing flexibility in meeting the specific needs of U.S. importers. Shoes, for example, have been made to U.S. importer specifications and, in at least one instance, an FTC consented to placing a U.S. firm's trademark beside its own although the Chinese still decline to place only U.S. labels or trademarks on their products.

While the Fair is principally concerned with Chinese exports, some sales and contract negotiations do take place in Guangzhou. These sales to China are mostly in commodities such as chemicals, synthetic fibers, pulp and paper, steel, and similar industrial products. FTC officials, some highly qualified technically, will form a delegation to listen to or hold extended discussions with the American exporter. Technical seminars have been presented at the

Fair. In some cases, U.S. firms may be invited to go from the Fair to Beijing.

American business people attending the Fair can now obtain assistance from officers of the U.S. Government and the National Council. Commercial officers from the U.S. Embassy in Beijing and staff members of the Council maintain suites at the Dong Fang Hotel. In addition to offering advice on Fair procedures and Chinese business conditions and practices, business representatives are provided access to a number of useful reference works and office machines, including typewriters, a copying machine and a telex tape cutter. These representatives give receptions, which have been well attended by FTC officials, providing unique opportunities for U.S. business people to become better acquainted with Chinese trade officials.

Trade and Products.—The Fair has grown in recent years with an estimated 20,000 foreign businesspeople, representing the major industrial and commercial firms of about 110 countries, attending the 1978 Fall Fair. Since 1969, trade from the Fair has been steadily increasing; for the 1978 Fall Fair, it totaled more than \$1 billion. The past several fairs have witnessed an increase in the amount of finished and semifinished goods sold by the Chinese.

Chinese products purchased at the Fair consist mainly of foodstuffs, textiles, animal by-products, metals and minerals, basic inorganic chemicals, pharmaceuticals, hospital and other medical equipment, and arts and crafts. Chinese prices are generally competitive with world market levels, but they can fluctuate sharply.

Other Fairs and Exhibitions

Each year the PRC participates in trade fairs and exhibitions in a number of foreign countries. It also hosts foreign exhibitions in China, usually in Beijing, but occasionally in Shanghai. In addition, various FTCs have been holding mini-fairs in Shanghai, Tianjin, and other centers located near producing facilities. Such fairs, covering forest products, carpets, straw products, wines and spirits, pharmaceuticals and medical instruments, feather and down, and furs are held irregularly although some of them are expected to become regular events. They are designed to complement, not replace, the semiannual Guangzhou Fair.

Contract Negotiations

Business propositions that elicit Chinese interest usually result in invitations to go to the Guangzhou Fair if the Chinese are exporting and to Beijing if China is considering importing. For special reasons, businesspeople may be invited to other Chinese cities for discussion, for plant visits or to attend a specialized product fair. Chinese FTCs also have begun to send buying and selling missions to the United States. As emphasized above, contacts with Chinese FTCs should be opened directly. Normally, however, the businessperson's ability to begin serious negotiations depends on obtaining an invitation from the FTC to come to Beijing or to visit the Fair.

Business negotiations with the Chinese are marked by efforts to obtain as much technical and commercial information about a company's product as possible. When companies have been unwilling to discuss proprietary technical information, they have found that the Chinese understand and accept a simple statement to that effect. They are usually well informed not only about the company with whom they are negotiating but about the company's competitors and market conditions as well. Competition among Western business firms may be used by the Chinese as a lever to get a company to improve its offer.

Negotiations with the Chinese emphasize technical aspects and are extremely detailed. It is very important to include highly qualified, tactful personnel on the negotiating team both to resolve difficult technical problems and to demonstrate the company's technical competence and serious intentions. Commercial negotiations with the Chinese often include extensive discussions on relatively minor aspects of the transactions. Careful preparation is a must. Businesspeople should have all previous correspondence and expect to confront very astute bargainers.

The nature of the negotiations is frustrating for many business people. Negotiations are often recessed while the Chinese consider the company's presentation. This provides a marvelous opportunity to enjoy Chinese hospitality and tourist sites, but it can involve excessive time of valuable staff. Decisions are usually group decisions, made in coordination with a number of Chinese entities including the FTC, the relevant ministry and the end-users. It is characteristic of Chinese negotiating style to

emphasize mutual understanding and the development of good long-term relationships, both corporate and personal.

The Chinese provide interpreters, and talks are conducted in English so it is not necessary to have an interpreter present. If a member of the company's delegation speaks Chinese in addition to his other abilities, however, this can speed the discussion and resolve possible difficulties in transmitting technical and commercial information. Knowledge of Chinese business practices as well as a sensitivity to Chinese customs also can be quite useful, but contracts have been successfully negotiated by American companies without relying on such expertise.

For small value transactions or for standard products, the contracts used by FTCs are basically unchanged although they differ somewhat from corporation to corporation and from commodity to commodity. All standardized contracts are short, usually two pages. They are printed in English or in English with matching Chinese. The FTCs will make revisions to these contracts. In general, they are more willing to amend their import (purchase) contract than their export (sales) contracts. It is important for businesspeople to press for inclusion of all terms, since the Chinese have a "strict constructionist" attitude toward contracts.

Chinese sales contracts generally afford the FTCs more protection against nonperformance than do their standardized purchase contracts. Both sales and purchase contracts contain force majeure clauses, but for Chinese exports the coverage clearly specifies various natural disasters and a catch-all phrase to cover "any other causes beyond their control." Exporters to China should be aware that the standard force majeure clause would not be interpreted to include "acts of God," strikes, or government intervention.

According to the standard contracts, inspection of both Chinese sales and purchases is done in the PRC by the China Commodities Inspection Bureau (CCIB). Such inspections are characterized by their thoroughness—even counting small items that are packed in bulk. On some projects or for some equipment, the Chinese may also insist on inspection ex-factory, or at the U.S. port prior to loading.

Finally, China's purchase contracts normally include penalty clauses for late shipment while their sales contracts are silent on the sub-

ject. In some cases, the FTCs have waived payment when they recognized that the cause of the delay was beyond the control of the exporter: however, in other cases penalties for late deliveries and for late payment have been assessed.

On large, complex transactions (such as turn-key projects) standard contracts are not utilized. The FTCs strive for contract provisions similar to those on the standard contracts, but depending on their desire for the product and the degree of competition for the transaction, tend to be more flexible.

Types of Contractual Arrangements.—Changes in Chinese foreign trade policy that became evident in 1978 now encourage counter-trade and a wide variety of contractual arrangements not practiced earlier. In an effort to maximize export earnings, the Chinese now appear willing to engage in the following types of arrangements:

- (1) Accept raw materials into China for processing and reexport;
- (2) Accept components into China for assembly, further processing, and reexport;
- (3) Enter into joint ventures where the Chinese side supplies the factory shell and raw labor and the foreign partner brings in the raw materials, if needed, the equipment, and supplies the training of the labor, technology, and supervision, if required. The foreign partner receives the product at a reduced price until his costs, including a profit, are paid off;
- (4) Enter into joint venture arrangements of various types in Hong Kong and possibly elsewhere outside of China.

The Chinese hope to induce foreign oil companies to assist them in the development of what are thought to be considerable resources of offshore petroleum. To do this, Beijing will allow the return on investment to consist of crude oil delivered over a sustained period of time. Other forms of buy-back compensation are in practice or are being discussed. Foreign firms will assist the Chinese in the development of their nonferrous metal resources in return for a share of the mined ore or concentrated product. Even equity participation with repatriation of profits seems acceptable although the Chinese are apt to require a majority share in the venture.

The PRC will enter into licensing arrangements, technical assistance agreements, co-production projects, and consulting arrangements, including management consultancies. The PRC will barter and switch trade, too, if it is in their interest, but these types of transactions seem to be less significant.

As the Chinese move further into the modernization of their economy, they may find still other, flexible types of arrangements conducive to increased earnings of exchange. It behooves an exporter to visit Beijing with a number of such options in mind.

Arbitration

Chinese practice, domestic as well as foreign, is to avoid formal arbitration proceedings as a way to resolve contract disputes. Even when the contract contains an arbitration clause and when a dispute has been unresolved for some time, FTCs generally strive to settle the dispute through "friendly discussion." Indeed, in many contracts, "friendly discussions" or "friendly negotiations" are cited as the primary vehicle for dispute resolutions.

The FTCs will likely suggest that if arbitration is necessary, it should be submitted to the Arbitration Committee of the China Council for the Promotion of International Trade in Beijing, under the Arbitration Committee's rules. However, in recent years, FTCs have increasingly accepted Sweden, Switzerland or other third countries as sites for arbitration.

The most important fact, however, is the degree to which FTCs go to avoid any arbitration—even in Beijing under Chinese rules. The very few cases that have been arbitrated were reportedly conducted very fairly. In the Chinese view, such disputes should be resolved by the two parties if they have a good long-term relationship. Often the Chinese methods of contract resolution are indirect and take the form of better terms on future contracts. It is preferable to explore all avenues for resolving disputes before seeking recourse in arbitration.

Currency

The currency of China is called Renminbi (RMB) or people's currency. Basic units:

Yuan (Y) = 100 fen (cents)
jiao = 10 fen

Notes are issued in denominations of Y10, Y5, Y2, and Y1; and 50, 20, and 10 fen. Coins are issued in denominations of 5, 2 and 1 fen.

The RMB is an inconvertible currency. Bank deposits can be maintained at the Bank of China, but usually RMB is bought and sold as needed for commercial and travel purposes.

The exchange value of the RMB is determined by the Bank of China and changes periodically—generally in response to international monetary conditions. The Bank of China posts bid and offer rates for the RMB against major Western currencies. The offering price of the RMB has risen recently from 59.01 U.S. cents on January 4, 1978, to 63.56 cents on December 30, 1978. During the year, it fluctuated between 57.6 and 63.6 cents.

Since August 1975, the Bank of China has permitted businesspeople with RMB denominated contracts to purchase RMB forward. However, the relatively high cost of forward RMB (30 percent for a 6-month contract), the availability of dollar denominated contracts, and the stability of the RMB-U.S. dollar exchange rate have combined to minimize businesspeople's interest in such transactions.

Payments

Most transactions in the China trade call for payment by irrevocable letter of credit (L/C) against presentation of sight draft and shipping documents. In some cases American importers have been offered contracts with payment in sight draft documents against payment (D/P) terms. Letters of credit are negotiated on the Chinese side by the Bank of China (BOC), headquartered in Beijing, with domestic branches in most ports of China. Four foreign branches of the BOC are located in Hong Kong, Singapore, London, and Luxembourg. In negotiating letter of credit transactions, the BOC utilizes an extensive network of correspondent banks established throughout the world in areas where China trades. The Bank of China has not established full correspondent bank relationships with any U.S. bank although it will accept traveler's checks, traveler's letters of credit and remittance payments drawn on certain American banks having a limited correspondent relationship. To facilitate trade finance, the BOC has made arrangements with the branches of a number of foreign correspondent banks for negotiating commer-

cial letters of credit. With diplomatic recognition, the possibility of resolving the barriers to full U.S. correspondent banking relations seems much improved.

The Bank of China has an excellent reputation both for its efficiency in handling the technical details of financial transactions and for paying promptly and in full. In general, Chinese financial practices are not greatly different than those in the West, but they do stringently implement some contract and L/C provisions to their own advantage. For example, when China is the seller, the standard form contract usually stresses that the buyer is to open the L/C promptly and may say little about the shipping and other documents that China is to present to obtain payment. When the PRC is purchasing, the documentation required by the BOC before it will make payment is spelled out in detail. Moreover, in many PRC purchase contracts, payment is to be made only after the shipping documents are received by the branch of the BOC that opened the L/C. This will increase the amount of time between the shipping date and the receipt of payment by the number of days it takes the documents to reach China. In addition, there will be a certain period during which the seller is without goods, documents, or payment. The PRC also does not follow the accepted international practice of having its letter of credit confirmed with a bank in the seller's country. Against these examples of somewhat unusual financial practices, however, one must set the Bank of China's well-earned reputation for financial integrity.

Since the early 1970's RMB has been used to denominate many foreign trade contracts—especially for Chinese exports. FTCs generally prefer to use RMB to denominate contracts because this minimizes their exposure to the fluctuation of western currency values. However, the question of the denominating currency is open to negotiation between the parties. FTCs readily accept foreign currency denomination when China is importing. On large turnkey projects, some preference is now being shown to financing in dollars owing to the depressed state of the dollar worldwide.

Shipping and Insurance

China prefers to buy goods on an f.o.b. basis, handling all freight charges and insurance. It prefers to sell goods on a c.i.f. or c.&f. basis, sometimes having the foreign importer handle

their own insurance. In this way, the PRC preserves foreign exchange, retains the insurance business, and maintains greater freedom of action in handling cargoes.

A noticeable change in the last few years has been the switch in China from selling on a purely c.i.f. basis to allowing foreign importers to handle their own insurance. In China, insurance is managed by the People's Insurance Company of China (PICC)—which underwrites insurance not only on transport of exports and imports, but also on such things as ocean-going ships and aviation, the property of foreign embassies in China, fire, and motor cars, among other things. In insuring foreign trade, the Chinese state, "The People's Insurance Company of China holds that transport insurance on imports and exports should be arranged by the cargo owners, so China's imports are generally insured with the People's Insurance Company of China whereas insurance on China's exports is generally arranged by the foreign importers. However, the People's Insurance Company of China will also underwrite exports from China if foreign importers so require."

In the FTC's sales confirmation contracts, therefore, the U.S. importer will now note that insurance is simply "To be effected by the Buyers-Sellers" with the Sellers being x'd out. A typical clause used to read: "Insurance: to be effected by Sellers covering all risks and war risk as per The Ocean Marine Cargo clauses of the People's Insurance Company of China, for 110 percent of the invoice value."

In the case of China's imports, a typical clause reads: "Insurance: to be covered by the Buyers after shipment." It should be noted that "after shipment" generally means after the goods are "stowed." In other words, in buying f.o.b. the Chinese buy f.o.b. "stowed" to assure that no title problems arise during the actual loading of the goods. Whether the goods are purchased f.a.s. or f.o.b. stowed should be clearly understood.

The rapid growth of China's trade has imposed heavy requirements on China's fleet and port facilities. Delays due to loading and unloading have been common although the difficulties have eased as China's maritime facilities have been modernized. The problem of timely delivery has been particularly acute for U.S. firms partly because U.S.-China trade has been so recently resumed and partly because of the lack of regular shipping schedules. This prob-

lem seems to be moderating as experience is gained and as more ships have begun to arrive on a more regular basis. A hopeful sign for the future is that China has begun to introduce containerization in a few of its ports. Containers used in U.S.-China trade will for the most part have to be transshipped in Hong Kong or Japan, but it should make the problem of combining many smaller shipments more manageable. Also, FTCs have shown some willingness to ship U.S.-bound commodities to Hong Kong. This allows the U.S. firm to obtain control over shipping at that point.

U.S. Regulations Governing Trade with the PRC

Imports

With the exception of certain embargoed furs (ermine, fox, kolinsky, marten, mink, muskrat, and weasel furs and skins, dressed or undressed), goods may be imported into the United States from the People's Republic of China subject to the same general rules that apply to imports from other countries (i.e., proper labeling, food and drug regulations). Goods imported from the PRC, however, are dutiable at rates listed in Column II of the Tariff Schedules of the United States. These rates are generally higher than those on goods from countries with which the United States has a reciprocal most-favored-nation (MFN) tariff agreement (Column I rates).

Information regarding the duties applicable to specific goods may be obtained by sending an adequately detailed description of the goods in question to the U.S. Bureau of Customs, 1301 Constitution Avenue, N.W., Washington, D.C. 20229.

Importers should be aware of the regulations of the Department of Agriculture, Food and Drug Administration, and other agencies of the United States applicable to imports from all destinations.

Exports

U.S. exports to China and other Communist destinations are subject to controls provided for by the Export Administration Act of 1969, as amended by the Equal Export Opportunity Act of 1972. One purpose of this legislation is to authorize controls over the export of goods and technology that would contribute to the mili-

tary potential of these countries to the jeopardy of U.S. national security. The legislation also declares it to be the policy of the United States to encourage trade in nonsensitive items with all nations, including China, with whom the United States has diplomatic or trading relations.

For detailed information on licensing requirements U.S. exporters should consult the Export Administration Regulations and supplementary Export Administration Bulletins at any U.S. Department of Commerce district office in 43 major U.S. cities. Included in the Regulations is the Commodity Control List (CCL); this is the key to determining whether a specific shipment may be exported under an established general license authorization, or whether a validated license is needed. A validated license is required for those commodity groupings designated by a "Y," the country category for China and most countries of Eastern Europe, including the U.S.S.R.

Once it has been determined that a validated export license is required for a specific export, an application for the license should be submitted to the Office of Export Administration, U.S. Department of Commerce, Washington, D.C. 20230. Application forms can be obtained free of charge from any U.S. Department of Commerce district office.

U.S. firms are encouraged to contact the Office of Export Administration for information on export licensing, including pending transactions. Telephone inquiries may be directed to the Exporter Services: (202) 377-4811. While no official determination on licensing can be made before formal application is filed, the Office of Export Administration can often informally indicate the prospects for issuing a license.

Outside of domestic short supply and foreign policy considerations, the principal criterion in reviewing license applications is whether the technical data or commodity is designed for, intended for, or could be applied to a significant military use. Availability of comparable foreign-made equipment is also taken into account. The cases most difficult to assess from the standpoint of strategic implications are subject to review by other interested U.S. Government agencies. Export applications for certain commodities must finally be submitted for approval to the Coordinating Committee for East-West Trade Policy (COCOM), a group of delegates from Japan and the NATO countries, except for Iceland.

The Equal Export Opportunity Act of 1972 further provides that representatives of a particular industry may request the Secretary of Commerce to appoint a Technical Advisory Committee in that industry to consult with the Office of Export Administration on licensing requirements and procedures. Such committees have already been established for manufacturers of computer systems; computer peripherals, components and related test equipment; semiconductors; semiconductor manufacturing and test equipment; numerically controlled machine tools; telecommunications equipment; and electronic instrumentation.

Financial Restrictions and Assistance

The provisions of the Johnson Debt Default Act that prohibit all private U.S. individuals, partnerships, corporations or associations from certain types of financial transactions with any foreign government or agency in default in the payments of its obligations to the United States Government may apply to the PRC.

On May 9, 1967, an advisory opinion by the Attorney General clarified the application of the Johnson Act to private financing of exports to those countries affected by the Act. The opinion stated that the Johnson Act does not prohibit export financing by U.S. firms or banking institutions if the terms of such transactions are based on bona fide business considerations and do not involve a public distribution of securities.

Prior to this opinion, there was uncertainty whether certain financial transactions connected with exports, such as lines of credit, barter transactions, and deferred payments, were proscribed by the Act. The opinion makes it clear that the Johnson Act is not intended to restrict such credit arrangements so long as they are comparable with those commonly given for export of the same commodities to other countries.

PRC Tariffs

China has a customs administration and a published schedule of tariffs embodying most-favored-nation and ordinary (higher) rates. However, for purposes of U.S. exporters, import licensing, customs formalities and tariffs do not exist as processes separate from the conclusion of contracts and need not concern the potential exporter. Foreign visitors to China are assessed duties on goods brought in for personal use in excess of specified nominal duty-free amounts (see Section on Personal and Prohibited Items).

Trademarks, Inventions, and Copyrights

China is not a party to any multilateral or bilateral treaty with the United States relative to the protection of patents, trademarks or copyrights.

Trademarks

"Measures for the Control of Trade Marks," issued by the PRC on April 10, 1963, and supplementary "Enforcement Regulations" issued April 25, 1963, govern trademark protection in that country. Foreign firms must file all trademark applications through the China Council for the Promotion of International Trade (CCPIT) in Beijing.

Registration of a trademark is granted to the first applicant. Marks registered by local enterprises have no fixed duration; they are valid until withdrawn by the registrant. Marks registered by foreign parties are valid for periods of 10 years and renewable for further 10-year periods. The owner of a registered trademark acquires the exclusive right to its use in the PRC. Registered foreign-owned trademarks may be assigned to other foreigners provided the latter meet the same requirements, noted below, as the original applicant.

A foreigner may apply for a trademark registration only if (1) a reciprocal agreement on registration of trademarks exists between the applicant's country and the PRC and (2) the applicant's mark is already registered by them in their home country. The CCPIT informed the United States Liaison Office in Peking and The National Council for U.S.-China Trade in Washington, D.C. early in 1978 that it would permit trademark registrations by U.S. nationals. U.S. nationals may now apply for and receive registrations, as of January 1, 1978. The Regulations' requirement (Article 12) of reciprocity between the PRC and the country of nationality of the applicant is considered by the PRC to be met by the United States since PRC foreign trading corporations already are permitted to apply for and register trademarks in this country.

U.S. firms desiring to file applications or to correspond with the PRC on trademark matters should write to: Trademark Registration Agency, China Council for the Promotion of International Trade, Beijing, People's Republic of China. In trademarks matters, the CCPIT acts as the foreign firm's agent with the Cen-

tral Administrative Bureau for Industry and Commerce (CABIC), which, according to the 1963 Regulations, is responsible for administering the PRC Trademark Regulations. The CABIC still performs this function. When applying for registrations, American firms must provide to the CCPIT the following documentation:

- (1) A separate application, in duplicate, for each trademark the firm wishes to register.
- (2) a power of attorney, in duplicate, for each trademark. (This document empowers the CCPIT to act on behalf of the foreign firm to register the trademark with the CABIC.)
- (3) a certificate of nationality (no prescribed form), which should show that the corporation is organized under U.S. law.
- (4) 12 prints of the trademark for each application. The meaning and derivation of the trademark word must be clearly explained. The Regulations state that the original copy of the power of attorney and the certificate of nationality must be "LEGALIZED" (i.e., notarized) by a Chinese Embassy. According to CCPIT officials, the PRC Embassy in Washington is empowered to do this.

The furnishing of evidence that the foreign-origin trademark was registered in its own country also is no longer required for the United States since it does not require Chinese corporations to provide such certification. Also according to the CCPIT, U.S. trademarks applied for and registered in the PRC may include English words. Foreign trademarks registered there are not limited to Chinese and may use any language.

If two or more enterprises apply for identical or similar trademarks, registration is accorded to the first application. The validity of the trademark registration begins from the date of approval of CABIC and is effective for 10 years. An application for renewal can be filed soon before expiration for 10 years. An application for renewal can be filed soon before expiration, for another 10-year period, and this can be followed by re-application for a further 10 years.

In some cases, subsidiaries of U.S. firms in countries with bilateral trademark agreements

with China may have already applied for trademark registrations in the PRC. American firms that have already registered trademarks through a foreign subsidiary located in a country that does have a bilateral agreement with China may, if they wish, use the assignment procedure in the Chinese Regulations to assign the trademark from the subsidiary back to the parent firm headquartered in the United States.

Under the PRC Regulations, the "owner" (i.e., holder) of the registration enjoys an exclusive right to its use. If the trademark is registered in the name of a subsidiary, only that subsidiary "owns" the right to use it, unless, under the above-mentioned assignment procedure, the subsidiary assigns the trademark to the parent corporation.

Currently, Canada, the United Kingdom, Sweden, Switzerland, Denmark, Finland, Italy, Belgium-Luxembourg, Netherlands, West Germany, New Zealand, Australia, East Germany, Norway, Czechoslovakia, Hungary, Greece, and France have reciprocal trademark registration agreements with the PRC.

Other salient features of the PRC's "Trade Marks Measures and Rules" follow. Not registrable are words or markings similar to China's national flag or other official emblems or medals, similar to national flags or emblems of other countries, similar to marking of the Red Cross or Red Crescent and those "which have an ill effect politically." There are no opposition provisions, nor time limit for governmental processing of applications. A trademark registration may be cancelled where the quality of the product does not meet governmental requirements, where it is altered without governmental authority, where a registration has not been used for 1 full year and no permission for such non-use has been granted, and where a third party applies for cancellation and, after examination of the reasons for this request by the Government, it approves the cancellation. For trademark registration purposes, there are 78 classes of goods. An application for a trademark for a medical product must be accompanied by a certificate approving the product's manufacture issued by the Health Department.

Inventions

The PRC has no patent law. Procedures governing recognition of inventions and technology for use and compensation are embodied in the "Regulations on Awards for Inventions" and "Regulations on Awards for Technical Improvements," approved October 23, 1963, by the PRC

State Council. These regulations replaced earlier Rules of 1950 and 1954 that had provided for certain patent rights. The new "Regulations" establish a system under which a party may apply to the state for official recognition of an invention or technical improvement. Should the state find the invention useful, the party is granted a registered certificate and given cash awards, and perhaps other bonuses based on the invention's use and value to the state. Technical improvements, if adopted, also qualify for cash awards and "commendation" based on their use. The state retains ownership of all such inventions and technology. Foreigners may apply and qualify for the above certificates and awards for their inventions and technology. There is no indication in the "Regulations" whether payments to foreigners are remittable. The PRC reserves the right to sell to foreigners, through its Ministry of Foreign Trade, those inventions that are authorized for sale by the State Scientific Commission.

Although there is no patent protection per se available to foreign firms in China, the Chinese have shown some willingness, on a case-by-case basis, to give contractual assurances to limit the use of the seller's technology within China and to prohibit the reexport of the technology to third countries.

Copyrights

The PRC has not joined the Universal Copyright Convention or Berne Copyright Convention, or concluded any bilateral copyright protection agreement with the United States. So far as is known, U.S. authors have no copyright protection available in the PRC for their works first published outside that country. Thus, U.S.-authored books, plays, music and other literary and artistic works presumably may be freely copied, translated and reproduced in the PRC without authorization from or compensation to the U.S. copyright owner. For further information on the PRC's laws on the above subjects, contact the Foreign Business Practices Division, Office of International Finance and Investment, U.S. Department of Commerce, Washington, D.C. 20230.

Going to the PRC

Travel

The PRC may be reached by the following international air service: Japan Air Lines, Pakistan International, Ethiopian, and Iran

Air, each twice weekly to Beijing and Swiss Air, Aeroflot, Tarom, and Air France, once a week; Swiss Air, Pakistan International, and Japan Air Lines, once a week to Shanghai. The Chinese airline, CACC, serves Tokyo, Moscow, Paris, Tehran, Karachi, and Bucharest. Regular CACC flights from Hong Kong to Guangzhou (Canton) began during the Fall 1978 Fair, thus ending the necessity of traveling by train to reach the Fair. In addition, in November 1978 hovercraft service from Hong Kong to Guangzhou was initiated.

Visas

Visa applications may be made through the PRC Embassy in Washington, D.C. (normally allow 3 days for receipt) or through the China Travel Service (CTS) in Hong Kong or Kowloon (normally allow 4 days for receipt). Two copies of the visa form and four passport-sized photos are required.

To obtain a visa for a business visit, an invitation from a FTC or other government entity is usually required. Persons who have applied for visas and have not yet received them prior to arrival in Hong Kong should produce evidence that their visit has the concurrence of an official organization in China. Without such evidence, an invitation from the appropriate Chinese authorities must be negotiated, a process that could take considerable time.

Health

For American travelers an International Vaccination Certificate bearing current smallpox and cholera entries is necessary; however, if a traveler is coming from areas where other diseases are endemic, appropriate inoculations may be required.

Currency Regulations

The China Travel Service in Hong Kong or the inbound airline provides forms for declaring personal effects such as calculators, watches, jewelry and other items of value, in addition to the amounts of foreign currency (including traveler's checks) taken into China. This declaration is necessary for the exchange of traveler's checks or cash into Chinese currency.

Foreign currency (including American dollars and traveler's checks) may be changed by the People's Bank of China located in the customs building at the border, in hotels, or on

the Hong Kong-to-Guangzhou train. Receipts for these transactions must be kept and turned in upon departure.

Personal and Prohibited Items

Personal items essential to the visitor during the trip and in reasonable quantity may be brought into China. Small amounts of medicines, up to four bottles of foreign liquor, and up to 600 cigarettes may be brought in for personal consumption. Visitors may also receive medicines, liquor, or cigarettes through the mail, but the total value each time should not exceed 50 RMB; for visitors from Hong Kong and Macao the amount should not exceed 20 RMB.

Visitors may bring in a typewriter, a tape recorder, a film projector, a copying machine, and similar items necessary for conducting business in China. Such items will be exempt from customs duties if taken out of China on departure.

Certain items are prohibited entry into China including Chinese national currency, lottery or raffle tickets, and any books, journals, films, and tapes, which would be harmful to or cast aspersion on Chinese politics, culture and morals. Such items are subject to confiscation before entry.

Visiting in the PRC

Travel Facilities

Domestic air service consists of regular CACC air flights within the PRC. Trains are comfortable and efficient, although long distances may be involved. It takes 24 hours from Guangzhou to Shanghai, and 36 hours from Guangzhou to Beijing. Within the cities, taxis are available. Fare is usually 60 fen per kilometer but can vary. There is a minimum charge for 2 kilometers. Since it is impossible to hail a taxi from the street, it is advisable to keep one's taxi for short shopping trips, or arrange with the hotel to be met by one after meetings. In Guangzhou and Beijing, restaurants will call taxis for their patrons.

Accommodations

Reservations can be made through Luxingshe (China International Travel Service), but frequently the host organization in the PRC selects one's hotel. Hotels are the Xin Chiao

and the Beijing Hotel in Beijing; the Peace Hotel, Qing Chiang, and Shanghai Mansions in Shanghai; and the Dong Fang Hotel in Guangzhou. Most offer rooms with bath or showers.

Hotels in Beijing cost approximately 50 Renminbi per day, and those outside Beijing charge 20-25 Renminbi daily.

Restaurants

All hotels for foreigners offer both Western and Chinese food. There are many fine restaurants in Beijing including: The Large Beijing Duck, the Small Beijing Duck, the Capital, the Minorities, and a Mongolian restaurant in the Bei Hai Park. (See Appendix 4.) In Guangzhou, there are the North Garden (Pei Yuan), South Garden (Nan Yuan), Riverside (Pang Qi), Moslem (Hui Min), and Floating Restaurant. When taking a party to a restaurant, some meals may need to be ordered 12 to 24 hours in advance to allow for proper preparation. Hotels and Luxingshe can recommend good restaurants.

Sightseeing and Entertainment

Inquiries may be made of the host organization, the sponsoring trade corporation, or Luxingshe concerning visits to places of historical interest. Some of the more popular are:

Beijing.—The Forbidden City, Temple of Heaven, the Summer Palace, the Valley of the Ming Tombs and the Great Wall.

Guangzhou.—Cultural Park, Island of Sha Mien, Cung Hua Hot Springs, and Martyrs Memorial Park.

There are frequent performances of the Chinese national opera, ballets, and theatre groups as well as sporting demonstrations. In addition, trips to nearby communes and factories can be arranged. Cars with drivers and guides may be hired through Luxingshe.

Generally, the initiative for entertainment should be left to the Chinese officials. Business visitors normally find it difficult to reciprocate. However, when one is entertained at a banquet, it is acceptable and often desirable to host a "return" banquet before departing for home. Normally the Chinese will provide assistance in arranging for the return banquet.

Social Customs

In China, the family name is always mentioned first. Thus, Wang Fuming should be addressed as Mr. Wang.

Normally a visitor will be invited to dinner at a restaurant during his stay, most often by the organization that is sponsoring his visit. Dinner usually begins about 6:30 or 7 p.m. The guest should arrive on time or a little early. The host normally toasts his guest at an early stage in the meal with the guest reciprocating after a short interval. The usual procedure is to leave shortly after the meal is finished. The guest makes the first move to depart.

Tipping is forbidden. However, it is appropriate to thank the hotel staff and other service people for their efforts on your behalf. Generally, gifts should be of nominal value and presented to the host group; individual gifts are not necessary although little mementos of the occasion may be appreciated.

It is customary to present business cards, and it is helpful if one side is printed in Chinese. Presentation of cards may not be reciprocated. Cards may easily be printed in Chinese in Hong Kong.

Visitors should conduct themselves with restraint and refrain from loud boisterous actions.

Photography

Generally, photographs are allowed although the Chinese may exhibit sensitivity to shots of airports, bridges, ports and the like or anything of military significance. If there is doubt as to the suitability of the subject, consult your tourist guide or a Chinese official before taking the picture. The Chinese generally allow undeveloped film to be taken out of the PRC, but reserve the right to make exceptions, and occasionally do.

Only certain brands of film can be processed in the PRC: Kodacolor (negative), Agfa Color and Sakura both positive and negative, Fuji Color only negative and Ektachrome only positive.

Dress

It is cold in Beijing from December to March and visitors are advised to dress warmly. Since offices are not heated to levels most Americans are accustomed to, sweaters and even "long

johns" may provide real comfort. In the summer in North China and during the greater part of the year in the South, tropical or lightweight clothing may be worn. Visitors to the Guangzhou Fair dress informally in open-necked sport shirts and light-weight trousers. Women will probably feel most comfortable wearing pantsuits or slacks. A lightweight pull-over may be useful in the evening. It is also advisable to take cool, comfortable footwear, a lightweight hat, and mosquito repellent.

Climate

In North China the temperature ranges from 5°F in January to 104° in July and August. Exceedingly dry and dusty for most of the year, Beijing becomes rather humid during the rainy season of July and August. South China is subtropical and fairly hot until the end of October. The climate around Shanghai in East China is very similar to South China with much higher rainfall than Beijing. Spring and autumn are the best times to visit China, from the point of view of temperature. Dust storms can be expected in north China during April and May.

Language

Chinese (also called Mandarin, Guo Yu, and Pu Tung Hua—common speech) is the national language, although several other dialects are frequently used, especially Cantonese in the South. The written language is uniform. Business visitors will find that the people with whom they negotiate either speak English or will have interpreters available. Luxingshe can advise business visitors on reliable translation services.

Time

All of China as well as Hong Kong is on Beijing time, 12 hours ahead of EDT.

Public Holidays

Official public holidays are Jan. 1—New Year, May 1—Labor Day, Oct. 1, 2—National Days. The 3-day Spring Festival (Chinese New Year) occurs in January or February, varying from year to year.

Hours of Business

Government offices and corporations are open 8 a.m. to noon and 2 to 6 p.m. Monday

through Saturday (with minor variations during the cold and hot seasons). Sunday is treated as a holiday. Appointments are rarely made before 9 a.m., and it is not advisable to seek a Friday afternoon appointment. The Chinese negotiate both in the morning and the afternoon. Business discussions tend to last longer than in the West.

Shops are open from 9 a.m. to 7 p.m. every day, including Sunday. "Friendship Stores," for foreigners only, are located in major cities and carry a wide variety of Chinese goods, especially arts and crafts.

The U.S. Embassy is open from 8:30 a.m. to 5:30 p.m. Monday through Friday. A security officer is on duty 24 hours a day and may be contacted in an emergency. (See Appendix 3 for telephone number.)

Weights and Measures

Most of the PRC's foreign trade is conducted in the metric system but domestic Chinese weights and measures should be understood:

1 jin (catty) = 1.102 pounds (or .5 kilograms)

1 dan (picul) = 0.0492 tons

1 mu = 0.1647 acres

The domestic Chinese measuring system is limited to agricultural accounting and shops dealing in agricultural produce.

Electricity

Both single phase, 220V AC, 50 cycle and 3-phase 380V AC, 50 cycle power are in use. Plugs are normally 2 or 3 pin flat (5 amp), but in hotel rooms there is usually one connection for a 2-pin round continental-type plug. The bathrooms in the Beijing Hotel have 110V outlets.

Communication Facilities

Telephone, telex and cable can be used for communicating with China's foreign trade corporations and with visitors to China. Telex and cable facilities at the Guangzhou Trade Fair may involve considerable delays due to the large number of businesspeople at the fair. Telephone services to Hong Kong have been excellent since the installation of a new coaxial cable. International telecommunications facilities in Beijing are easier to use because fewer foreign business visitors are trying to use them.

Telephone charges for a 3-minute call to China are \$12 plus tax (early 1979). Telex facilities cost \$3 per minute and there is a 3-minute minimum usage. Cable charges are 34 cents per word for the full rate and 17 cents per word for the night rate. (Charges from China to the United States appear to be similar).

Head offices of foreign trade corporations have both cable and telex facilities. Branch offices can be reached by cable. International cable credit cards are accepted.

Visitors to China can utilize public telex facilities in Beijing and Guangzhou but must punch their own tape. However, there is no provision for two-way telex service unless the receiving party is able to send a telex back immediately upon receipt of the incoming message before the direct circuit is closed.

The telephone system in Beijing and other cities is automatic. Domestic telecommunications charges are relatively inexpensive. In some cases, a domestic cable to a Chinese foreign trade corporation from a businessperson in China may facilitate communications.

Mail Service

Mail from the United States can be sent directly to China either by surface or air. The rates as of January, 1979 are:

Airgram—22¢.

Letter (surface)—20¢ for 1 oz.; 36¢ for 1 to 2 oz.; 48¢ for 2 to 4 oz.; 96¢ for 8 to 12 oz.; \$1.84 for 13 oz. to 1 lb.

Letter (air)—31¢ per 1/2 oz. up to 2 oz.; 26¢ per additional 1/2 oz.

Parcel (surface)—\$2.34 for first 2 lbs; 59¢ each additional pound or fraction thereof.

Parcel (air)—\$3.08 for first 4 oz.; \$1.37 for each additional 4 oz. or fraction thereof.

Surface mail takes 6-8 weeks for delivery; air-mail takes 7-9 days. Be sure to show the People's Republic of China as the country of destination when mailing to China.

It costs 60 fen to mail a post card from the PRC to the United States and 70 fen per 1/2 ounce for all mail letters.

Emergency Contact of Visitors

In the event it is necessary to contact a traveler in China on an emergency basis, it is best to notify the China Travel Service in Hong Kong or the U.S. Embassy in Beijing. (See Appendix 3 for phone numbers.)

Exit Procedures

Before leaving the country, the traveler should exchange Chinese Yuan for foreign currencies, since Chinese money may not be taken out of the PRC.

Before exit, the traveler's declarations of personal belongings will again be checked. Valuable items such as watches, cameras, pens, and radios registered at the customhouse at entry must be brought out again on the visitor's return trip. Items forbidden to be taken out of the PRC will be confiscated. These include: Chinese national money; gold, platinum, silver and other precious metals such as personal ornaments (unless they had been declared at entry), any books, photos, tapes, or other media which pert. in to Chinese national secrets; items of artistic value pertaining to the Chinese Revolution, history or culture. Permission of the Chinese Cultural Agency is necessary to export any ancient artistic items or books.

After clearing customs, the visitor must walk from the Chinese side of the border to the Hong Kong side if traveling by rail. If leaving via CAAC, the traveler will clear Chinese customs at Bai Yun airport in Guangzhou and must clear Hong Kong customs upon arrival at Kaitak Airport.

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Appendix 1

U.S. DOMESTIC EXPORTS TO CHINA -- JANUARY - NOVEMBER 1978
(OVER \$10,000 VALUE)

SCHEDULE B CODE	SCHEDULE E CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
1306540	0410040	WHEAT, UNMILLED, NOT DONATED	217,472,193	0
3001060	2631040	COTTON NT CRD 1 TO 1-1/8 IN	132,378,423	0
1303465	0440045	YELLOW CORN, NOT DONATED	51,905,534	0
3094242	2665200	POLYESTER FIBERS NONCONTIN	42,891,341	1
1765220	4232020	SOYBEAN OIL, CRUDE, DEGUMMED	26,117,742	0
4808005	5629520	DIAMMONIUM PHOSPHATE FERTILI	17,613,301	1
3011550	2631080	COTTON OTH, 1-1/8 IN OR MORE	16,878,927	0
1775640	4113040	TALLOW, INEDIBLE	11,657,449	0
4803000	5621840	UREA	11,512,120	1
6495040	6954175	RCK DRL, CR BITS A KMRS NSPF	9,658,427	1
1754100	2222040	SOYBEANS, NSPF	7,864,456	0
6640584	7239020	PTS NSPF OIL/GAS DRILL MCH	6,502,191	1
6604137	7135020	DIESEL ENG NSPF 1001-1500 HP	4,506,455	1
4807050	5622240	CONCENTRATED SUPERPHOSPHATE	3,795,750	1
6603040	7120051	PARTS NSPF OF STEAM TURBINES	3,365,319	1
6609490	7429000	PTS NSPF OF PUMPS FOR LIQUIDS	2,569,502	1
2500284	2516000	WD PLP, SP ALPHA, DSSLVG GRDS	2,493,183	1
6921660	7822060	TRUCK MOUNTED DRILLING EQUIP	2,403,510	1
6839540	7413160	PTS NSPF INDUS FURN OVEN ETC	2,342,975	1
6920560	7821058	OFF-HWY TRKS N/MIL DIES NEW	2,231,722	1
6923460	7224090	TRAC WH TYP NSPF, OV 99 NEMP	2,096,055	1
4860900	5177015	FUNGICIDES, UNMIXED, NSPF	1,942,109	1
6743250	7361520	COMB BOR, DRILL ETL MCH HORZ	1,926,779	1
7112420	8746025	ARTICLE STRENGTH TEST EQP ELEC	1,904,829	1
7125052	8746088	ELEC QTY MEAS INST, RECORDING	1,818,123	1
5213110	3222020	LOW VOLATILE BITUMINOUS COAL	1,646,100	1
6611271	7437020	PARTS, AIR & GAS COMPRESSORS	1,576,370	1
2500225	2518200	WD PLP, SULPHITE, BLCHD, NSPF	1,557,914	1
4331066	5982090	LUB OIL A GREAS ADD MIX NSPF	1,555,814	1
7102820	8746011	GEO PHYSICAL INST & FIS, ELEC	1,547,502	1
6920570	7821054	ON-HWY TRKS N/MIL GV 44000	1,529,848	1
3100010	6514400	POLYESTER CNT TEXTURED YARN	1,305,519	1
4868900	5910035	HERBICIDE PREP, NSPF	1,197,219	1
6743592	7367050	METAL FORMING MACHINES, NSPF	1,183,651	1
6743550	7361980	BROACHING MACH, METALCUTTING	1,116,880	1
3094245	2665300	ACRYLIC FIBER NONCONTINUOUS	1,074,393	1
4441620	5881320	POLYETHY RESIN HIGH DENSITY	1,070,970	1
7118710	8746066	CHEM ANALYSIS EQ ELEC & PTS	1,029,779	1
6802210	7492022	TAPS ETC IRN/STL GA O 2.5% C	928,027	1
6785090	7286804	MACHINES, N.S.P.F.	912,075	1
3578020	6537500	CELLULOSIC TIRE FABRICS	887,848	1
6640586	7239030	PTS NSPF BORING/DRILLING MCH	848,462	1
6605460	7149920	PARTS OF INDUST GAS TURBINES	802,937	1
4862600	5177055	METHYL PARATHION	793,122	1
6923240	7224020	CON OFF-HWY WH TRAC 300-499HP	788,269	1
7118054	8746052	LTNG CNTL INST NELEC INU PK	756,687	1
6923800	7843050	PARTS, NSPF, OF TRACTORS	732,455	1
6605440	7139070	PTS NSPF, TRACTOR DIESEL ENG	684,790	1
6743240	7361510	VERT BUK MACH INC VET LATH	681,937	1
6762700	7522000	DIGITAL ELECTRONIC COMPT ETC	671,014	1
6921680	7822080	SPEC PUR VEH NONMIL NSPF	663,822	1

Appendix 1—Continued

U.S. DOMESTIC EXPORTS TO CHINA -- JANUARY - NOVEMBER 1978
(OVER \$10,000 VALUE)

SCHEDULE B CODE	SCHEDULE E CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
6749002	7373180	PARTS FOR MACH & APPL, NSPF	646,387	1
7244565	8983150	COMPUTER TAPE, UNRECORDED	641,504	1
4862900	5177065	INSECTICIDES, UNMIXED, NSPF	631,798	1
6680820	7259100	PTS OF PULP & PAPER MAK MCHS	590,370	1
4442520	5881645	POLYMERIZ, COPOLYMERIZ TYPE	581,486	1
4722500	5256040	CARBON BLACK INCL THERMAL	546,400	1
6854075	7649960	TAPE RECRURS NSPF & PTS NSPF	532,544	1
3578040	6533500	NONCELLULOSIC FINE FABRICS	524,454	1
4643013	5172036	AMINES A THEIR DERIVATIVES	523,278	1
4183300	5253440	CALCIUM COMPOUNDS, NSPF	520,493	1
4331095	5988055	MIX A PREP NSPF	514,749	1
4216200	5253774	SODIUM COMPOUNDS, NSPF	512,550	1
6745440	7369040	PARTS, NSPF, OF MET-FUR MCHTL	488,102	1
7118750	8746071	PHYSICAL ANAL EQ ELEC & PTS	459,552	1
6856046	7648340	RADIO NAV RECEIPT APPARA NSPF	453,596	1
6826064	7712060	ELEC GEN EQ NSPF & PTS NSPF	452,463	1
6079030	6716560	PERKOVANADIUM OV 35% VANADIUM	450,631	1
6605445	7139080	PTS NSPF, DIESEL ENG NSPF	449,607	1
6802205	7492020	TAPS ETC IRN/STL CK O 2.5% C	445,199	1
2527810	6413120	KRAFT LINERBOARD, UNBLEACHED	438,046	1
6802030	7492008	TAPS COP GATE ETC 125 LBS OV	419,701	1
4231020	5253930	CHROMIC ACID	407,362	1
6826050	7712020	ELEC RECTIFYING APPARATUS	397,658	1
6802230	7492032	TAPS ETC IRN/STL, NSPF, O 2.5%	397,653	1
4209800	5253742	SOD CHROMATE A DICHROMATE	381,214	1
7118046	8746048	LIQUID CNTRL INST ELC IND PR	380,847	1
6921400	7822030	FIRE ENGINES	360,000	1
6626015	7452730	STEAM & BLAST CLEAN MCH NSPF	360,211	1
7125045	8746086	EQUIP NSPF TEST ELEC CIRCUIT	360,101	1
6926060	7843094	PTS NSPF NON SLF-PROPLD VEH	359,617	1
4331035	5989840	COMPOUND CATALYSTS, NSPF	354,942	1
6640513	7234014	DRILL & BORING MACH, NSPF	336,136	1
6921640	7822050	HYDRAULIC CRANES, TRUCK MTD	334,000	1
6617060	7416042	MACHS TREAT CHEM TEMP CHANGE	323,875	1
6743564	7367030	METALLCUTTING MACH TCOLS NSPF	300,000	1
1008300	0013001	SWINE, LIVE	296,698	0
6619850	7438060	WATER FILTER, SOFTEN EQ ETC	292,988	1
4331020	5982030	TETRA (METHYL-ETHYL) LEAD	290,632	1
6876036	7764025	ICDS MONOLITHIC BIPOLAR TTL	287,926	1
6640587	7239040	PTS NSPF SHOVELS, DRAGLINES ETC	287,412	1
4873020	5178060	RUBBER-PRG CHM ACCEL, ETC	284,544	1
6662576	7272060	FOOD PRGCS MACH & PTS NSPF	276,745	1
6619870	7438086	FILTERING & PURIF EQUIP NSPF	275,299	1
6859039	7721030	GLASS CRTDGE FUSE UN 2300 V	269,865	1
4345010	2924020	GINSENG ROOT CRUDE	265,000	0
7101820	8746010	METEOROLOG & HYDRO INST ELEC	262,100	1
6826052	7712030	COILS & INDUCTRS MTRS GEN ETC	260,551	1
4152253	5251025	FLUORINE, BROMINE A IODINE	249,672	1
6922985	7843046	PTS, NSPF, CF MOTOR VEHICLES	246,843	1
6676089	7768980	PTS OF ELECTRON CRYSTAL COMP	242,991	1
4042260	5172032	POLYCARBOX ACID ETC NSPF	240,416	1

Appendix 1—Continued
U.S. DOMESTIC EXPORTS TO CHINA — JANUARY — NOVEMBER 1978
(OVER \$10,000 VALUE)

SCHEDULE B CODE	SCHEDULE E CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
6854090	7721076	PTS ELC SWITCH RELAY ETC NSPF	232,128	1
6743572	7362200	BEND AND FORM MACH METAL FOR	227,547	1
6940566	7929060	PTS NSPF FOR AIR/SPACE CRAFT	223,154	1
4591930	5176080	CHEM COMPS FOR FLAV ETC NSPF	213,800	1
4043500	5172036	AMINES HAV 1 O MORE OXY FUNC	201,696	1
7118014	8746035	TEMP INSTMT INDUS PROC NELEC	192,752	1
6011040	7434080	PARTS, NSPF, FAN & BLOWER	191,553	1
6084346	6732025	ALLOY HOT FORMED BARS, NSPF	188,508	1
1201405	2111020	CATTLE HIDES, WHOLE	188,419	0
6926040	7861435	OFF-HWY TRERS & WAGNS-EX FRM	180,800	1
4041840	5172016	RESORCINOL	170,954	1
7118062	8746057	DISPLAY INST ETC, ELECT SIGL	173,315	1
6852765	7649350	RADIO EQUIP NSPF & PTS NSPF	168,035	1
6923355	7224076	AGR TRAC WH TYP OV 179 PTOHP	168,167	1
6603024	7128020	STEAM TURBINES N/OV 5000 HP	165,195	1
6884060	7788860	ELEC APPAR & ELEC PARTS NSPF	161,463	1
6802270	7492048	TAPS, ETC HAND OPERATED NSPF	157,944	1
4448000	5881750	ARTIF MIXT TWO OR MORE PLAST	157,099	1
7215020	8852920	WATLM MOVEMENT PARTS	156,534	1
7091655	7741050	ELECTRICAL DIAGRAMS	156,320	1
7125035	8746084	WAVE FORM MEAS EQ & PTS NSPF	152,792	1
6923340	7224055	AGR TRAC WH TP 120-139 PTOHP	148,968	1
7087830	8710640	ELECTRON & SIM MICRODIFF AP	147,262	1
7102846	8741240	GEOPHYSICAL INST & PTS, NELEC	145,087	1
6626035	7452760	POWER SPRAYKS & DUSTKS FARM	142,769	1
6106030	6785012	CST 1K FTGS NT MAL F THRO P	142,719	1
6803593	7491056	TAPEK ROLLER BEARINGS & PRIS	142,524	1
6617075	7416048	MACHS HEAT MATRL NSPF & PTS	136,988	1
6103920	6786034	SMLS LINE PIPE, INST EX ALY	125,771	1
7091670	7741080	ELECTRO-MEDICAL APPARAT NSPF	121,743	1
6854050	7638140	TAPE RECORDERS, VIDEO, COLOR	121,451	1
4874500	5988070	MIXTURES A PREP, ORG A INORG	120,256	1
7118066	8746033	TEMP INSTMT INDUST PROC ELEC	119,584	1
6762870	7526090	COMMON & PERIPHERAL EQ ETC	118,033	1
6130550	6822580	PIPES, UNAL CU NSPF EX PLMBG	115,876	1
7125020	8746081	VOLT CURRENT RESIST TEST EQP	114,282	1
4925240	3351260	PETROLEUM WAX, UNBLEND, NSPF	111,283	1
4010500	5171045	OTH NITRO COMP INCL CARB ETC	110,140	1
4043920	5172042	TOLUENEDIISOCYANATES	109,740	1
4331044	5982050	FUEL OIL ADDITIVE PREP, NSPF	109,648	1
6802280	7492050	PARTS FOR TAPS ETC HAND OPER	108,365	1
6660341	7212220	COMBINES, SELF-PROPELLED	106,415	1
7125055	8746090	ELL QTY MEAS INST, RECORDING	103,895	1
6802749	7492066	PARTS F TAPS ETC EX HAND OPER	101,140	1
4043940	5172044	NITROGEN FUNC COMP ETC NSPF	100,848	1
6846440	7644050	TELEGRAPH APPARAT/PARTS NSPF	99,607	1
6846420	7644040	TELEPRINT/TELETYPEWRITE MACH	98,683	1
4461521	2331740	NEOPRENE RUBBER	93,600	1
4442530	5881650	THERMOPLASTIC RESINS, NSPF	93,362	1
6605250	7131900	PTS NSPF OF PISTON A/C ENG	92,390	1
6613598	7414960	PARTS NSPF F REFRIG EQ NSPF	90,580	1

Appendix 1—Continued

U.S. DOMESTIC EXPORTS TO CHINA — JANUARY - NOVEMBER 1970
(OVER \$10,000 VALUE)

SCHEDULE B CODE	SCHEDULE E CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
6859038	7721228	ELEC SWITCHES & RELAYS, NSPF	90,522	1
7118030	8746042	DIAL PRESS GAGS INDUS PR ETC	89,564	1
6884010	7788821	SIGNAL GENERATORS	88,352	1
6403820	6924560	TANKS OV 75GAL CAP F STG MFG	68,238	1
6745430	7369030	PARTS, NSPF, OF MET-CUT MCHTL	67,754	1
7125032	8746083	OSCILLSCOPES OSCILLGRPH & PTS	87,747	1
6802228	7492330	TAPS ETC IRN/STL BT 2 2.5% C	87,537	1
6802225	7492028	TAPS ETC IRN/STL BL 2 2.5% C	86,179	1
7101040	8746008	NAVIGATIONAL INST NSPF, ELEC	84,537	1
2703080	8921155	TECHNCL, SCIENTFC, PRFSSNL BKS	82,699	1
6765560	7599040	PARTS OF ADP MACHINES A UNIT	82,302	1
6923330	7224045	AGR TRAC WM TYP 80-99 PTO HP	80,610	1
6103020	6786004	LINE PIPE WLD ST NT AL O CST	80,340	1
6803595	7491080	ROLLER BEAR ETC, PARTS, NSPF	79,423	1
6617600	7435000	CENTRIFUGES & PARTS, NSPF	79,073	1
6601526	7119900	PARTS NSPF, AUX PLANT BLR TY	78,670	1
6089135	6748260	ALLOY STL SHETS CLD KLD NSPF	78,653	1
6612380	7415010	AIR-COND MACHY & PARTS NSPF	77,513	1
6859068	7721060	TERMNLS & ELC SPLCRS/COUPLRS	76,832	1
7125040	8746085	COMBNTN ELEC CHARG MEAS EQP	75,849	1
6802020	7492006	TAPS COP CHECK ET 125 LBS OV	75,775	1
7223620	8812920	MOVIE CAMERA PARTS NSPF	75,474	1
6802040	7492010	TAPS COP GLOBE, ETC 125 LBS	74,876	1
6470860	6991335	BUILDERS' HARDWARE, NSPF	73,488	1
7121520	8746078	RADIATION MEAS/DETECT INSTMT	73,734	1
6762820	7523000	DIGITAL CENTRAL PROCESS ETC	72,130	1
2704000	8921175	BOOKS, NSPF	72,069	1
7223640	8811900	STILL CAMERA PARTS NSPF	71,302	1
2703085	8928620	CATALOGS	70,815	1
4171900	5253320	ALUMINUM COMPOUNDNS NSPF	70,400	1
6106050	6785015	CAST IR PIPE A TBE FTGS NSPF	69,274	1
6876043	7764040	ICDS MONLTHC EX BIPOLAR, MOS	68,133	1
7118022	8746039	VAC ETC INSTMT IND PROC ELEC	66,886	1
6605270	7139040	PTS NSPF, GASOLINE ENG NSPF	63,329	1
6494590	6954220	INSKTS F INTRCHMBL MTL CU TL	62,524	1
6640588	7239060	PTS NSPF EXCAVATING MCH NSPF	62,337	1
4441070	5881605	PETROL HYDROCARBON RESIN ETC	62,215	1
6826040	7163000	MOTOK GEN & ROTATNG CONVRTRS	60,669	1
4713040	5312340	DISPERSE DYES	59,555	1
7118730	8746068	CHROMTGRPHC INST NELEC & PTS	59,410	1
6857050	7788260	SIGNAL EQ EXC RU KLWY & PTS	54,317	1
6640524	7442820	TRACT-SHUV LORS, NSPF, NEW	53,938	1
3854640	6581040	MMF BAGS SACKS CONTAINERS	52,020	1
6604133	7135010	DIESEL ENGS NSPF 201-500 HP	50,888	1
6745405	7368060	WDRK HOLD & POSIT DEVICE ETC	50,463	1
6601040	7119140	PARTS NSPF OF VAPOR GEN BLKS	49,515	1
7089400	8710960	OPTICAL APPL INST ETC & PTS	49,468	1
6660034	7212320	HAYING MACHINES NSPF	48,748	1
6660024	7211220	PLANTING MACHINES	47,977	1
6531700	6996580	WLDG KODS, WIRE ETC NSPF	47,404	1
6846210	7644010	TELEPHN SWICHBO EQ & PT NSPF	46,952	1

Appendix 1—Continued

U.S. DOMESTIC EXPORTS TO CHINA -- JANUARY - NOVEMBER 1978
(OVER \$10,000 VALUE)

SCHEDULE B CODE	SCHEDULE E CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
6876015	7762030	MICROWAVE TUBES, MAGNETRON	46,405	1
7091620	7741040	ELEC-MED THERAPIC DEVICE NSPF	46,166	1
6611251	7431025	AIR COMP STAT-15 HP & UNDER	46,000	1
6103420	6786018	SS PRESSUR TUBG, PIPE, WELDED	44,824	1
6640546	7234038	DITCHES-TRNCHRS EXC LUCK TYPE	42,614	1
6856042	7648330	RAD NAV RECEPT APPARA AIRCF1	41,950	1
6745426	7369020	PARTS OF MACH TOOL FLR HUBGR	41,212	1
7118002	8746031	CONTRL INST HEAT SY ETC & PT	40,922	1
1454303	0577440	ALMONDS, SHELLED, NOT BLANCHEU	39,820	0
6747427	7451960	PARTS & ATTACH, NSPF, ETC	38,670	1
6803588	7491050	PARTS OF BALL BEARINGS	37,664	1
7725115	6252000	PN TRUCK ETC TIRES, NEW	37,540	1
6802215	7492024	TAPS ETC IRN/STL GL C 2.5% C	37,304	1
6921650	7442270	HYDRAUL CRANES, MOBILE, NSPF	36,764	1
8181000	9310140	US VALUE REPAIRS TEMP IMPUR1	35,890	1
1266100	2925062	ONION SEED	34,230	0
6923345	7224060	AGR TRAC WH TP 140-159 PTOHP	33,275	1
6660011	7211320	CULTIVATORS TRCTR URWN OR M10	32,547	1
6660044	7212370	HARVESTING MACHINES, NSPF	32,344	1
6617015	7416016	STERILIZERS & AUTOCLAVES PTS	30,625	1
6612370	7414114	CENTRAL STATION AIR-HAND UN1	30,459	1
3001030	2631020	COTTON NT CRD OR CMB UN 1 IN	30,388	0
7125025	8746082	FREW TEST APPARATUS & PARTS	30,382	1
7118740	8746069	CHEM ANAL EQ NONELEC NSPF	29,675	1
5351000	7732320	PORCELAIN INSULATORS	28,880	1
6660048	7863040	FARM WAGONS AND CARRS	28,867	1
7119240	8746077	PARTS NSPF, REV COUNTERS ETC	28,743	1
6856025	7648320	RADAR APPARATUS, NSPF	28,706	1
6465520	6940030	BOLTS, STUDS, STUNG IR OR STL	28,414	1
6876031	7764020	ICDS MONOLITHC LINEAR(ANALOG)	28,286	1
6762860	7526080	INPUT OUTPUT & COMBIN ETC	28,264	1
6660026	7211240	SEEDING MCH INCLUDING DRILLS	27,620	1
6883520	7732130	ELEC COND FITTING IRN & ST N	27,154	1
6783557	7286842	PARTS FOR TIRE BUILDING MACH	27,000	1
6619820	7438040	DUST COLLECT & AIR PUR EQUIP	26,158	1
7118720	8746067	SPELTRODMTRC INST NELEC & PTS	25,350	1
6923335	7224050	AGR TRAC WH TP 100-119 PTOHP	25,126	1
6852085	7649330	TV APPARAT NSPF & PARTS NSPF	24,691	1
6517560	6954280	SETS NSPF (2 O MOR OIF 1LS)	24,115	1
7726280	8910150	HOSE, ETC NSPF, RUBR & PLAST	24,054	1
6824545	7164050	MOTORS, AC, 21 TO 200 HP	23,774	1
2703040	8921125	DICTIONARIES AND THESAURUSES	23,759	1
6604425	7424022	RECIPROCATING PUMPS, NSPF	23,467	1
6745005	7369010	TOOL HOLDERS, NSPF, ETC	22,653	1
6529190	6911085	STRCTRS A PTS IR A STL NSPF	22,534	1
6802242	7492036	TAPS ETC IRN/STL GA 2.5% UND	21,452	1
6749001	7373160	GAS-OPER WELD ETC, NSPF	21,432	1
6782022	7283920	PARTS & ATTACH, NSPF, ET PORT	21,064	1
6534680	8121045	COOKING APPARATUS, NSPF	20,756	1
6921030	7810020	PASSENGER CARS, OV 6 CYLINLA	20,070	1
6853970	7649940	PARTS OF TAPE PLAYERS, NSPF	20,010	1

Appendix 1—Continued

U.S. DOMESTIC EXPORTS TO CHINA — JANUARY — NOVEMBER 1978
(OVER \$10,000 VALUE)

SCHEDULE B CODE	SCHEDULE E CODE	COMMODITY	VALUE (\$)	AG CODE	NON-AG CODE
6859048	7721040	CONNECTORS, COAXIAL	20,000	1	
6088120	6743000	ALLOY HOT RLD PLATES, NSPF	19,872	1	
6852075	7649325	TV APPARA FOR CABLE TV & PTS	19,858	1	
6660031	7212310	MAY BALERS	19,799	1	
6060034	7211140	MOLDBOARD PLOWS	19,397	1	
7096120	7742010	X-RAY TUBES	19,100	1	
6617005	7416012	NONMIXING PROCESS VESS & PTS	18,840	1	
6859055	7722000	PRINTED CIRCUIT BOARDS	18,687	1	
7244575	8983170	COMPUTER DISCS, UNRECORDED	18,590	1	
6876040	7764045	IC>S MONLTHC EX BIPOLAR NSPF	18,523	1	
6921015	7810010	PASSNGR CARS, NEW, 6 CYL & UND	18,427	1	
7725150	6257050	PN OFF-HIGHWAY TIRES NSPF NW	17,945	1	
1912000	2919550	MARINE ANIMAL PRODUCTS, NSPF	17,850	1	
6844091	7758940	PTS NSPF ELEC STOR WTR MTRS	17,284	1	
7714400	5886100	FILM ETC, POLYETHYLENE	17,195	1	
6801030	7723015	VAR RESISTRS & POTNTMTR WRWD	17,185	1	
6876025	7763010	SIGNAL TRANSISTORS	17,124	1	
2707400	8928680	ADVERTISING PRINT MATTER NSPF	16,599	1	
2749540	8928800	PRINTED MATTER, NSPF	16,000	1	
6108054	6785082	FITTINGS NSPF OF IRN OR STL	15,930	1	
6762855	7520070	PRINTERS FOR A.D.P.	15,900	1	
6876021	7762045	LIGHT-SENSING ELECTRONIC TUBE	15,669	1	
6120920	2882120	ALLOYED COPPER WASTE A SCRAP	15,574	1	
7096640	7742060	RADIATN MEASMT EQ ETC & PTS	15,440	1	
7229540	8813950	ST FILM FINISH EQUIPMNT NSPF	15,150	1	
6876087	7768960	CHIPS, DICE, WAF, SEMICON PTS	15,137	1	
6606840	7186050	PTS, WATER WHEEL, TURB & ENG	15,000	1	
2042680	6351060	MDN PKG BXS, ETC, NSPF, ASSM/NT	15,000	1	
6884030	7788840	PTS, NSPF, OF ELECT CAPACTRS	14,720	1	
6662510	7272020	MEAT/POULTRY PROC MACH & PTS	14,662	1	
6495100	6954280	INTRCHGBL TOOLS NSPF F H O M	14,585	1	
6609470	7428840	TURBINE PUMPS F LIQUIDS NSPF	14,000	1	
6871050	7782580	ELEC DISCHARGE LAMPS, NSPF	13,939	1	
7118020	8746040	VAC ETC INSTMTS, ELEC, NSPF	13,904	1	
7091690	7741090	PTS NSPF ELEC-MED & IHER APP	13,744	1	
1230000	2116000	SHEEP, ETC, SKNS, WHL, FOR FURS	13,643	0	
6861035	7723020	VAR RESISTRS & POTNTMTR NSPF	13,558	1	
6107515	6785025	LST IR FITTINGS, MALLEABLE NSPF	13,195	1	
4165500	5252080	INORGANIC ACIDS NSPF	13,162	1	
7231550	8822645	ST AMATEUR FILM, UNEXPOSED	12,817	1	
6857070	7788330	BURGLR & FIRE ALRM & PT NSPF	12,847	1	
6802730	7492050	SCIENTIF VALVES	12,640	1	
6785065	7286832	MACHS, PROD & ASSEM SEMICON	12,444	1	
7244585	8983190	MAGN MEDIA NSPF, UNRECORDED	12,487	1	
6802741	7492050	PNEUMATIC CONTROL VALVES, ETC	12,400	1	
2703070	8921145	TEXTBOOKS	12,374	1	
6572180	6997370	ARTICLES OF IRON/STEEL, NSPF	12,373	1	
1010220	0014010	CHICKENS, BREEDER STOCK, LIVE	12,016	0	
6660000	7211100	DISC PLOWS	11,592	1	
7732540	8910965	GASKETS NSPF, RUBBER ETC	11,013	1	
6923325	7224040	AGR TRAC WH TYP 60-79 PTO HP	11,006	1	

Appendix 1—Continued

U.S. DOMESTIC EXPORTS TO CHINA -- JANUARY - NOVEMBER 1976
(OVER \$10,000 VALUE)

SCHEDULE B CODE	SCHEDULE E CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
4743750	5334515	INDUSTRIAL PAINTS AND ENAMEL	10,919	1
6762825	7526010	RANDOM ACCESS AUX STOR UNITS	10,700	1
6871030	7782570	MERCURY VAPOR DISCHRG LAMPS	10,470	1
6920506	7821006	TRKS NONMIL NEW GAS 6000 UN	10,402	1
6609480	7428860	PUMPS FOR LIQUIDS, NSPF	10,395	1
6857065	7788325	INDICTR PNLS NSPF & PTS NSPF	10,368	1
7112440	8747200	ARTICLE STNGTH TEST EQ NELEC	10,307	1
6763024	7518240	PHOTOCOPYING MACHINES, NSPF	10,153	1
6847030	7642060	AUDIO FREQ ELEC AMPS/PREAMPS	10,142	1
3212915	6522635	COTTON OTHER SHEETING BH CGL	10,083	1
7723010	6123025	FOOTWEAR PLS, RUBR & PLASTIC	10,017	1
7118675	6746060	GAS VAR INST, NELEC IND PROC	10,000	1
1911520	2919540	BULL SEMEN (BOVINE)	10,000	0
COUNTRY TOTAL			647,002,059	
FINAL TOTALS			647,002,059	

319 RECORDS TOTALED

Appendix 2

U.S. GENERAL IMPORTS FROM CHINA -- JANUARY -- NOVEMBER 1978
(OVER \$50,000 VALUE)

TSUSA CODE	SCHEDULE A CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
3202032	6521733	PC SHIRT NES WH COT NFBC	19,751,741	1
6220200	6871020	TIN OTHER THAN ALLOYS UNWGR	15,493,584	1
1861560	2919640	FEATHERS NT MEETING FED STD	15,205,233	0
7551500	5723000	FIREWORKS	11,126,131	1
7662560	8960600	ANTIQUES NSPF	9,978,722	1
1861565	2919660	DOWNES NOT MEETING FED STDS	9,851,653	0
3291038	6521738	ABC SHEET WH COT NFBC CRU	7,261,567	1
2224000	8997140	BASKETS AND BAGS BAMBOO	6,505,897	1
1863333	2919200	BRISTLES CRUDE OR PROCESSED	6,395,370	0
1454400	8577300	CASHEW NUTS SHELLED ETC	6,373,137	1
3601500	6592010	FL C PILE ETC OV 66-2/3 CT	5,777,925	1
3802788	8441170	MENS OT SP-SHIRT COT NK NOR	5,578,704	1
6015400	2879200	TUNGSTEN ORE	5,491,267	1
7044010	8471440	COT GLOVES NO FOURCHETTES	5,125,447	1
1615000	0740020	TEA, CRUDE OR PREPARED	4,495,202	0
4521200	5526080	CASSIA OIL	4,214,269	3
3680440	2613000	SILK RAW IN SKEINS ETC NES	4,173,976	0
3203032	6521733	PC SHIRT NES WH COT NFBC	3,741,161	1
6320200	6899720	ANTIMONY UNWR WSTE A SCRAP	3,644,160	1
3823349	8437062	G 1 SLACKS ETC Y-DYE NO NK	3,429,894	1
3066200	2683050	HAIR CASHMERE GOAT SORT ETC	3,046,029	0
4554000	5922830	GELATIN INEDIBLE UN AGCTS LB	2,932,004	0
4376400	5170920	MENTHOL	2,910,833	1
3601510	6592010	FL C PILE ETC OV 66 2/3 CT	2,833,163	1
7484040	8999200	----FEATHERS & ARTICLES OF NSP	2,821,196	1
1766000	4228020	TUNG OIL	2,685,130	0
2225700	6597040	FLR COVER,UNSP VEG MTRL,NES	2,601,906	1
4175000	5260105	ANTIMONY OXIDE	2,594,019	1
3823347	8437062	W OT COT TROUSERS ETC NK NO	2,554,133	1
2226000	8997160	ARTIC NES,BAMBOO,RAT,WIL,CHP	2,507,133	1
1924000	2924020	LICORICE ROOT	2,473,645	0
3803921	8423200	MEN TRS A SL CT UEN NKT NOR	2,443,003	1
6462622	6940120	NAILS, IRN/STL UNCOATED	2,259,164	1
7023785	6578390	M-WEAK OT FIB NO SEM ETC NB	2,253,088	1
3803926	8423200	BOY TRS A SL CT DEN NKT NOR	1,916,982	1
3823353	8437062	W COT SLACKS ETC C-ROY NKNO	1,756,188	1
2226400	8997160	ART NES, UNSP FIB VEG MTL	1,737,287	1
7066045	8510275	FEMALE FTWK UNLKE U.S., OXFD	1,692,182	1
3827673	8455048	WG SWEATERS KT MMF N ORN	1,689,136	1
3803923	8423200	M TRS A SL CT CORD N KT NOR	1,655,773	1
1564000	0722000	COLOA UNSWEET AND COLDA CAKE	1,592,434	0
3827870	8455048	INFANT SWEATERS MMF KT NGRN	1,480,875	1
2224400	8997140	BSKTS BAG UNSPUN VEG MAT NES	1,383,308	1
3823355	8437062	G 1 COT SLACKS ETC CRUY NKNO	1,380,990	1
1611300	0752220	CASSIA, CAS BUD A VERA UNGRD	1,361,179	0
1965840	2919340	INTESTINE FOR SAUS CSNG NSPF	1,342,627	0
4721000	2789200	BARYTES ORE CRUDE	1,306,329	1
3820660	8466030	OTH W G I COT KT T-SHIRTS NO	1,290,461	1
3802782	8441150	MENS C SPORT SHIRT CORD NKNO	1,264,616	1
7044025	8471440	GLOVES NES,MCH-WUV COT NGRN	1,199,375	1
3202058	6521765	TWILL NES WH COT NFBC CRD	1,154,290	1

Appendix 2—Continued

U.S. GENERAL IMPORTS FROM CHINA — JANUARY - NOVEMBER 1978
(OVER \$50,000 VALUE)

TSUSA CODE	SCHEDULE A CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
3201040	6521740	S-F SHEET WH COT NF BC CKD	1,145,529	1
3803928	8423200	B TRS A SL CT CORD N KT NOR	1,139,140	1
1823500	2483000	MACARONI ETC CONTO NU EGGS	1,093,003	0
3802770	8441140	M B WDRK SHIRTS COT NK N DR	1,477,811	1
7271000	8210035	FURN OF UNSPN VEG MATL A PT	1,064,675	1
7021220	8484340	HEADWEAR NOT KNIT OF COTTON	1,061,266	1
7058520	8482040	PL GLOVES FOURCHETTES ETC	1,060,981	1
3805900	8455011	M B WL W-AP K D\$18LB WHL SW	1,042,111	1
3633020	6584010	CUT P-CASES N-ORN N COMBED	951,742	1
1618300	0751040	PEPPER LAPSICUM ETC UNGRDN	931,959	0
3820669	8466030	OT W SHIRTS COT KT NOT ORNA	876,842	1
5206100	6673050	SEMI PREC STONES A AKTS, NES	866,307	1
3803920	8423200	ME SHORTS COTTON N KT N ORN	862,812	1
3607000	6592050	FL COV WOOL ETC PILE OV 40CT	844,773	1
1067520	0119040	RABBIT NES, FR FZ OV30CT LB	830,430	0
3372050	6541020	FAB WH SILK OVER 1.46 OZ ETC	834,839	1
1885025	5981400	GUM RDSIN	828,043	1
3064293	2683010	CAMEL HAIR SORTEU ETC	788,847	0
3823333	8437062	W G 1 COT SHIRTS NK NOR	767,932	1
3821222	8431225	WG10V CC O\$4 3/4 L NKNO	754,404	1
5173130	2782240	GRAPHITE NATURAL ETC NES	732,563	1
3822400	8443020	W G 1 COT PJS C\$1.50 NK NO	713,008	1
1405500	0562040	VEG, DRIED, DEHYDRTO NES	689,580	0
4528042	5520080	-----OILS DIST UK ESSENT NSPF	688,990	0
1103575	3340054	FISH, NES, FROZEN	670,669	1
4391090	5418000	NATURAL CRUDE DRUGS NES	600,571	1
3823331	8437091	W G 1 OTH COT PL-SUIT NKNO	662,583	1
3821870	8437072	W G 1 O L O-L O\$2.50 NK NO	638,850	1
2224100	8997110	BASKETS AND BAGS WILLOW	638,030	1
2224200	8997140	BASKETS A BAGS, RATTN, PLM LF	620,011	1
6537500	8973540	GOLD PLATEU HH AND SANI WARE	616,982	1
4393090	5418000	NATURAL DRUGS NES ADVANCED	613,230	1
7662540	8960600	ANTIQUE FURNITURE	612,926	1
7272540	8210070	-----WOOD FURNITURE NSPF	597,894	1
3827204	8437030	WG1 SLK BLOUSES N-O N-K OTH	593,036	1
1883855	2922070	CASHEW NUT SHELL LIQUID	591,853	1
3820600	8455080	-----W TANK TOPS COT KNIT NOT O	577,679	1
3202092	6521795	FAB NES WH COT AFBC CRO	565,444	1
3201058	6521765	TWILL NES WH COT NFBC CRO	547,403	1
1455200	0577840	PIGNOLIA NUTS, SHELLED, ETC	542,364	0
4372080	5414040	-----ALKALOIDS A CPDS SYNTH NSP	530,424	1
3803924	8423200	M OT TRS A SL COT N KT N DR	527,001	1
3635130	6584020	CUVLT ETC VE N-HD B-P NJ NU	499,265	1
1144590	6372050	SHELLFISH AND PRODUCTS, NES	499,249	1
3801840	8425020	MB COT D-GWN NES NK OV \$2.50	498,741	1
3823361	8437062	W SLACK ETC OT COT FAB NKNO	489,806	1
5349400	6664040	NONBONE CHINA HH ART NES	459,700	1
3658070	6584040	-----NET O ORN T-CLTH A NPKN MM	455,407	1
3806145	8455015	M SWEAT WOOL KT NOR OV \$5LB	455,398	1
3666000	6584090	COT FUR NES VELVET ETC N-O	452,107	1
1418180	0565080	VEGETABLES, PREP, PRES, NES	450,725	0

Appendix 2--Continued

U.S. GENERAL IMPORTS FROM CHINA -- JANUARY - NOVEMBER 1978
(OVER 150,000 VALUE)

TSUSA CODE	SCHEDULE A CODE	COMMODITY	VALUE (\$)	AG NON-AG LCDE
3823363	8437002	G A 1 SLKS ETC OT C FAB NKNO	449,732	1
3808152	8455019	MENS SWEATERS M-M-F KT MORN	447,435	1
3025600	8455041	M G WL K WHC SW OV\$18L8 N U	440,033	1
3002740	6584004	COT SHOP TOW NES N ORN N J-F	443,804	1
4703000	2929840	GALL NUTS CRUDE GK PROCESD	441,724	1
3366051	0543745	GT W-F WOOL 0\$2 060Z NOB SY	441,092	1
7650300	8960150	PAINTINGS ETC. BY HAND	435,671	1
5337300	0664040	TABLEWARE NONBON CHINA LUVAL	428,244	1
1824500	0980420	SOY SAUCE, THIN	419,707	0
4522000	5520025	GERANIUM OIL	416,131	0
3800620	8455020	M B COT KT D-GOWNS ET N ORN	417,188	1
3657865	0584040	COTTON NET OR ORN FURNISHNG	400,320	1
7062340	8310150	HANDBAGS V-F EX C NP ETC NES	387,874	1
0260200	0801323	UNWRD ZINC EXCEPT ALLOYED	384,268	1
1703210	1214030	CIG LEAF NT STMD FLUE-CURED	371,093	0
3820581	8437099	MGI W-A OTH FIS NK ORN ETC	365,992	1
2504800	6421030	PPK BOXES, PPR COV O LINED	354,127	1
6323440	5221640	MERCURY EX WASTE A SCRAP	350,127	1
4521800	5520020	LITRONELLA OIL	347,358	0
3803936	8423200	E OT TRS A SL COT N KT N OR	345,489	1
7482100	8999340	ARTIFICIAL FLOWERS ETC NES	342,988	1
3823310	8437032	M LTH COT BLOUSES NOT ORN NK	336,798	1
1829890	0981600	EDIBLE PREP NES NOV 5.5(BFT	329,679	0
2066700	0359570	WD BLINDS, SHUTTERS ETC NES	324,907	1
3306049	6543740	U W W-F WOK 0\$2 060Z NOB SY	320,955	1
3212038	6521738	ABC SHEET WH COT NFBC CRD	313,820	1
8000035	9311010	US GOODS RETURNED	312,701	1
3808139	8406015	---M-E SHIRTS MMF KT N OR NSP	308,398	1
1401200	0579900	APPLES, DRIED	290,279	0
7902500	8999000	HAND FANS	290,444	1
5233700	6633580	TALC STEATITE ETC NES V ARTI	288,657	1
9999500	9906000	UN 251 FURK A INF EST	288,300	1
3662460	6584068	C TOW NES TER OV45C OV \$1.45	287,696	1
1801550	2919640	FEATHRS NES MEETING FEO STD	287,593	0
7484020	8213200	FEATHER SLEEPING BAGS	283,993	1
3503990	8427010	M B COT COATS NES NK NO 1/4	282,179	1
6012100	2879570	COLUMBIUM ORE	275,782	1
1805520	2685100	HORSE MANE A TAIL HAIR, NES	272,496	0
3002160	6584068	C TOW NES TER OV 45CNOV\$1.45	270,135	1
1701500	4245000	CASTOR OIL OVER 20CT LB NES	268,061	0
3821220	8431225	M G 1 O LCC 0\$4 3/4C NKNU	267,094	1
3800422	8455018	MENS SWEATERS M-M-F ORN KNT	265,162	1
7401020	8973100	JEWELRY ETC PREC METALS	264,426	1
0540000	6976030	BRASS HH A SANI WARES N LTD,	259,827	1
3806130	8455011	M B WL W-AP K 035LB CSW NES	253,990	1
7484054	8999200	MB D-FILL LTS TX O-SH EX CT	252,547	1
1805510	2085920	BOVNE EAR, CIVET, ETC SPT HAIR	241,224	1
2045000	6354940	WD BXS ET LINED TEXTILE	239,910	1
3200000	0521717	DUCK PWPF WH COT NFBC CRD	239,878	1
3823391	8437092	W-G-1 COT W-APPAR N KT N O	239,701	1
7003575	8510243	FTWK, LEATHR, FUR MEN, NSPT	237,285	1

Appendix 2--Continued

U.S. GENERAL IMPORTS FROM CHINA -- JANUARY - NOVEMBER 1978
(OVER \$50,000 VALUE)

TSUSA CODE	SCHEDULE A CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
3201003	6521717	DUCK SWPF WH COT N7-1/2 ETL	230,413	1
1557000	0616030	HONEY	232,462	0
3827810	8455060	G A 1 OT KT COATS M-M-F NOR	231,535	1
3372020	6541020	FAB WH SILK TWILL-WOV NJ ETL	224,800	1
9231500	6664040	NONBONE CHINA NOT SETS	223,165	1
1613500	6752000	GINGER ROOT, UNGROUND	222,828	0
1115000	0350570	FISH PKLD NES OV 15LB CONT	222,203	1
3825860	8455043	M G S-L-H SWEAT KT NO OV \$5	218,978	1
3201026	6521729	PB CLOTH WH COT NFBC CRD	216,835	1
3800060	8441120	M-B LBY GRN SHIRTS NOT KNIT	215,460	1
1195000	0250000	POULTRY EGGS NT CHICKEN WHLE	213,905	0
5337700	6664040	TABLEWARE, NONBON CHINA, H1 VA	213,420	1
2226500	2923030	BAMBOO/RAT STICKS ROUGH/CUT	210,454	1
3820671	8466030	OT G 1 COT KT SHIRT NK ORN	210,158	1
7003550	6510243	FTWR, LEA, NES, MEN, CEMENT	209,505	1
7046500	8472160	GLVS WOOL OV 4OZL DPK ETL	206,709	1
4177000	5260170	BARIUM CHLORIDE	199,471	1
1378070	0543040	-----VEGS, FRESH, CHILLED, NSPF	198,335	0
5330500	6604040	CHINAWARE SPEC SETS \$10-\$24	197,597	1
7024060	6578390	H-WEAR OT FAB NOT SEW ETC BL	196,796	1
7152950	8852070	-----CLUCKS \$2.26-\$5, NONELECTR	192,393	1
3658400	6584040	OT LC NT ORN FUR VF EXC COT	190,615	1
3825431	8455045	WGI WL SWEAT KT NOR NOS5 LB	190,285	1
1472900	1568030	ORANGES, MANDARIN, LANNED	189,830	0
5337500	6664040	TABLEWARE, NONBON CHINA MED V	180,507	1
5203900	6673040	PREC A SEMIPK STN CT N/S NES	185,802	1
2205000	6330080	CURK MANUFACTURES NSPF	184,910	1
6462626	6940120	-----NALS ETC 10S CTO W VL R CM	180,387	1
7006035	8510275	MALE FTWR UNLIKE U.S., OXFD	178,508	1
7426000	8991040	IVORY MANUFACTURES	177,828	1
4661500	5541000	TOILET SOAP OV 20CENTS POUND	170,782	1
3806140	8455013	M B WL W-AP SW EX CASHM C\$5	175,231	1
3820430	8455048	WG KT SWEATERS MMF ORN ETC	175,177	1
3808153	8455019	BOYS SWEATERS M-M-F KI NCRN	170,370	1
6462648	6940120	-----NLS ETC 10S NSPF EX SM SHK	168,468	1
7006055	8510275	FTWR, NES, UNLIKE U.S.-OXFD	166,757	1
3800640	8466005	M B COT KT T-SHIRT NES N ORN	165,591	1
6540535	6976060	COPPER HH AND SANI WARES NES	163,886	1
4393050	2924060	-----GINSENG IN ADVANCED FORM	163,708	0
4523600	5520080	LEMON GRASS OIL	162,344	0
7403800	8972037	JEWELRY NES OVER 200 DDZ	160,226	1
3701600	8471110	COT LACE H-CHIEFS ORN NSPF	159,414	1
3070600	2686130	WOOL NDLS NOT ADVANCED	152,037	1
7900550	0354240	-----SPRING CLOTHESPLNS NES	152,553	1
4372400	5414050	ALKAS INCL ART MIX NAT	151,130	1
2500420	2511000	FLAX A HEMP FIBERS PAPER MFR	150,978	1
3802400	8442505	M G B COT PJS OV \$18 LZ ETL	149,592	1
4932200	5170940	SYNTHETIC CAMPHOR	149,357	1
7413050	6653942	BEADS, BUGLES, SPANGLES NES	149,228	1
3827855	8466030	G A 1 OT KT SHIRTS MMF NURN	148,894	1
4520400	5520080	ANISE OIL	148,620	0

Appendix 2--Continued

U.S. GENERAL IMPORTS FROM CHINA -- JANUARY - NOVEMBER 1978
(OVER \$50,000 VALUE)

TSUSA CODE	SCHEDULE A CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
3803620	8425030	M-B OT COT VST OV\$2EA NKNO	147,830	1
7148550	8472140	GLOVES KNT NES M-M N LCE NO	146,983	1
3827808	8455080	W OT COATS KNIT M-M-F W URN	144,911	1
1474000	0579610	DATES, FR, ORD, PITS NOV 10 LBS	143,500	0
3366053	6543750	O W M-F US2 UBOZ NO1COZ SYD	141,336	1
2225500	6597040	FLR COVER O CHINA, ETC, STRAW	138,996	1
7925000	8991040	ARTICLES OF SHELL NSPF	138,858	1
1825200	6980500	SOUPS AND SOUP PREP, NES	137,580	0
3211042	6521795	FAB NES WH COT NFBC CRD	137,227	1
4407100	5417440	DRUGS IN CAPSULES PILLS ETC	136,249	1
2670080	6359590	ARTICLES OF WOOD, NSPF	135,649	1
3823313	8431225	WGI COT COATS ETC NKT NCKN	135,539	1
3825871	8415045	W OT WOL KT SWEAT OV \$5LB NO	134,763	1
3372010	6541020	F WH SILK OV 50% DUPS N-J	134,749	1
3823328	8437091	W G 1 COT C-ROY PL-SUIT NKNO	133,149	1
3868200	2683070	HAIR ANGORA RABBIT SORT ETC	132,772	0
7503200	8997260	BRUOMS ETC VEG MATLS NSPF	131,514	1
2070120	6354960	WOOD CARVINGS, NSPF	131,378	1
1241015	2120925	HARE FURSKINS, WHOLE, RAW	130,564	0
5348700	6665040	E/S WARE FG ART NES OV \$10	130,464	1
3667930	6584090	OTH CUT FUR NO EX P-WOV NES	129,226	1
5219100	2785305	CRYOLITE OR KRYOLITH	128,142	1
3211976	6522897	NAP FAB NES WH COT BNFC CRU	127,795	1
9231300	6664040	NONBONE CHINA NOT SETS	126,514	1
1215200	6116120	GOAT SKINS VEG TANNED ROUGH	126,116	1
7484562	8999200	WGI D-FILL LTS TX O-SH EX C	125,573	1
1865030	2685100	HAIR, HRSE BUY, CATTLE TAIL, BUY	124,607	0
3821223	8437022	W O COT COATS NK NO OV\$4 EA	123,582	1
2069800	6354220	MHLD UTNSL, WD EX MAHOG NES	123,522	1
4395095	5418000	OTHER DRUGS INCLUDING SYNTH	122,572	1
3808417	8427020	-----M-B OTH LOATS MMF N KT N O	122,487	1
6462628	6940120	-----NAILS ETC NSPF CTD ET NSPF	122,470	1
3823368	8443060	INFANTS SP-SHIRTS COT NK N-O	121,953	1
7990000	9311090	NONENUMERATED PRODUCTS NES	121,170	1
3873000	6589770	OT ART V-FIB EX C NES NC ORN	117,944	1
4522400	5520080	EUCALYPTUS OIL	117,732	0
3828102	8437035	WOM BLOUSES NK M-M-F NO	117,223	1
5335100	6664040	HOTEL WARE CHINA O SUBPOKCEL	116,269	1
5172400	2782220	GRAPH, NA CRYST FLAKE OV 5.50	115,034	1
3820459	8437035	W BLOUSE NT KT MMF LCE O OR	113,436	1
2225000	6597040	BLINDS, SHUTTERS, CURTINS, ETC	110,338	1
3635115	6584020	B-SPRL V-F M-HO B-PT N-J NO	109,136	1
7510500	8994100	UMBRELLAS AND PARASOLS	108,576	1
4202600	5260154	POTASSIUM PERCHLORATE	108,382	1
7379550	8942670	TOYS NSPF	106,621	1
3823312	8437032	G A 1 OTH COT BLOUSES NO NK	106,360	1
3702100	8471140	M-M FIB HOKFS LACE OTH ETC	106,186	1
6743505	7363050	MTL-CUT MCH NOT OVER \$2500	104,795	1
8062040	9311630	VAL RER ETC ART EX ENG EXP	103,792	1
4202800	5260154	POTASSIUM PERMANGANATE	103,603	1
0027853	8466030	OTH WOM SHIRTS M-M-F KT NOR	100,571	1

Appendix 2—Continued

U.S. GENERAL IMPORTS FROM CHINA -- JANUARY - NOVEMBER 1978
(OVER \$50,000 VALUE)

TSUSA CODE	SCHEDULE A CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
3881200	2614200	SILK WASTE EX NOILS OV 2 IN	100,133	1
5156400	6613450	STONE AND ARTICLES NES, DECOR	99,472	1
3374000	6541040	FAB WH SILK JAC-F DEGUM ETC	98,223	1
3801290	8427010	MB COT LOAT NES NK NO 0 \$4	98,650	1
3203044	6521747	SHEET NES WH COT NF BC CRD	97,374	1
5465460	6653953	-----GLSWK ETC NSPF VAL \$1.30-\$1	97,226	1
1610100	0752540	ANISE	97,070	2
3802798	8441170	B COTSPORT SHIRT NES N K N 0	97,065	1
7061200	8997130	LUGGAGE ETC, KATTAN ETC.	96,299	1
7378500	8942670	KITES	94,718	1
7037240	8484640	OTH H-WEAR RUB PLAS OT NES	94,545	1
3803941	8424200	M-B OT COT S-T COATS NK NOR#	94,213	1
3825810	8455062	WL K W G BLOUSES OV\$5 LB N 0	94,078	1
1911540	2911710	ANIMAL SUBSTANCES CRUDE NSPF	91,403	0
7401040	8973300	JEWELRY ETC PREC STONES	90,787	1
1670515	1123000	BEER, ETC NOVIGL, GLASS CNTR	90,621	0
3805750	8455015	MB WOOL SWEAT NES KT NO N \$5	89,576	1
7917620	8481090	-----M-B CTS A JACK OF LTR NSPF	89,481	1
3820472	8443060	W G 1 M-M PJS ETC ORN NK	89,048	1
3701700	8471120	OT LACE MUKF VEG-FIB EX COT	87,865	1
3828111	8437015	W O 3/4L COAT M-M-F NK NO	87,123	1
7461000	8997130	LUGGAGE OR HANDBAGS, BAMBOO	86,502	1
1401660	0542040	-----BEANS, DRY, NSPF, 9/1-4/30	86,258	1
3800426	8455018	BOYS SWEATERS M-M-F ORN KNT	85,874	1
7373000	8942615	STUFFED ANIMALS OV SPEC VAL	85,092	1
6573540	6998120	CU ART, M CTO/PLI W PRME, NSPF	84,349	1
7006060	8510275	FTWR, RUBBER/FABRIC, NES	83,732	1
3602780	0584068	COT TOWEL NES N ORN N J-FIB	83,650	1
3807535	8427040	M-B SILK W-APP NKNO OTHER	82,955	1
3602480	6584068	C TOW NES P OV 45C NGV \$1.45	82,760	1
4608520	5514030	-----AROM SUB ETC NSPF ART MIXE	82,667	1
7058560	8482040	RUB PL GLOVES SEAL SEAMS	82,250	1
7410500	6671000	NATURAL PEARLS AND PARTS	81,905	1
3658680	6584040	-----OTH NET OR ORNA FURNISH MM	81,798	1
3202044	6521747	SHEET NES WH COT NF BC CRD	80,677	1
3659110	6584040	FURN ORN CR NET SILK NES	80,671	1
1824600	0980440	SAUCES EXCEPT THIN SOY	80,497	0
5465960	6653950	-----GLSWK NSPF NT CT VAL OV \$3	78,797	1
3634500	6586500	BLANKETS N L V-F NO OV47.50	78,288	1
3462400	6522310	COT VELVETEENS NES OV \$1.10	78,286	1
3800830	6589710	L-O-N A OTH A ORN SILK NSPF	78,155	1
3802750	8441120	M C DRESS SHIRT NES NK NO	73,325	1
7004540	8510248	L WOM FTWR CEMENT OV \$2.50	73,195	1
3470280	2686110	WOOL WASTE CRD 0 BURR N ADV	72,755	1
7062240	8310153	CCT HANDBAGS NO PILE ETC NES	72,554	1
3823326	8443060	W G 1 0 COT N-WEAR NK NO NES	72,091	1
4391050	2924060	-----GINSENG ROOTS	70,512	0
1144557	0360085	SHRIMP, RAW, PEELED	70,473	1
6743525	7361310	ENG LATHES, MTL-CUT OV \$2500	69,436	1
3820470	8437075	W G 1 M-M ROBES ETC ORN NK	68,599	1
4720600	5260170	BARIUM CARBONATE PRECIPITATO	67,523	1

Appendix 2—Continued

U.S. GENERAL IMPORTS FROM CHINA -- JANUARY - NOVEMBER 1978
(OVER \$50,000 VALUE)

ISUSA CODE	SCHEDULE A CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
7410600	6671000	CULTURED PEARLS AND PARTS	67,416	1
3827282	8437098	WGI OTH SLK W-A N-O N-K OTH	66,578	1
7062250	8310850	OT COT LUGGAGE N-PIL OR TUF	66,361	1
1905000	2919400	FISH SOUNDS	66,112	1
1865540	2685940	GOAT AND KID HAIR EXC BEARD	65,604	0
1111800	0350520	FISH NES DRIED, UNSALTED	65,494	1
1456000	0588010	NUTS, PICKLED, PREPARED NSPF	65,366	1
6562500	8973560	ARTS OF BASE MET CTD W GOLD	64,624	1
7221625	8811140	ST CAMERAS NSPF 35MM SROSLC	64,168	1
3896250	6589750	OT ART MMF NSPF NT KT NT OR	63,945	1
3263032	6521733	PC SHIRT NES CV COT NFBC	63,918	1
7651500	8960300	SCULPTURES OR STATUARY ORIG	63,745	1
3808445	8441200	M B SPORT SHIRT M-M-F N K NO	63,466	1
1621500	0752820	MIXED SPICES SPCE SEEDS NSPF	63,256	0
1451600	0577300	CASHEW NUTS NOT SHELLD	63,209	0
3676040	6584090	-----OT T-CLOTH NAP MMF EX G NO	63,137	1
1571020	0620120	CONFECTIONERY N CON CHOC NES	62,350	0
7062450	8310150	HANDBAGS TEX M EX C OTH NES	62,051	1
7003515	6510242	L ATHL FOOTWEAR, NES, MALE	61,648	1
3801235	8424200	MB CGR S-T-CUAT NK NO O 34	61,163	1
5156100	6613450	STONE & ARTICLES NES N DECOR	61,132	1
7062460	8310850	FLAT GOODS TEXTILE MAT NES	60,668	1
1450100	0577810	CHESTNUTS, CRUDE, DRIED, BKD	60,637	0
1496000	6588090	FRUITS NES PREP UK PRES	60,159	1
7484064	8999200	OT D-FILL W-A TX D-SH EX CT	60,136	1
2044010	6354920	WD BXES, ET, NES, N/LIN TEXTILE	59,756	1
3823030	8443060	WGI COT VESTS NKNO OV&2 OTH	59,697	1
7603540	8510243	L MEN FTWR NES, VULCAN SOLE	59,052	1
1765000	4248030	SESAME OIL, EDIBLE	59,042	0
1403000	0562040	GARLIC, DRIED, DEHYDRATED	58,957	1
6010300	2879550	ANTIMONY GRE	58,856	1
3828123	8437075	WGI M-M-F D-GOWNS ETC NK NO	58,513	1
7273260	8210820	OTH FOLDING WOOD CHRS	58,176	1
3676403	6510610	H-KNITTING FNCY YRN WOOL ETC	57,743	1
1821500	0565080	BEAN CAKE A STICK, MISO, ETC	57,762	1
6539475	6974140	L/S HOUSEHOLD WARES NES	57,463	1
2569080	6428600	ARTICLES OF PAPER PPRBRD NES	57,273	1
3635030	6584020	COVERLET ETC VF H B-P N J NO	57,000	1
1455500	0577850	WALNUTS, SHELLD, NOT PICKLD	56,842	0
3661820	6584068	COT D-TOW TERRY NOV 45 C N-U	56,223	1
1107080	0340090	FISH FILLETED NES FKSH, FRZ	56,065	1
3820219	8455045	WGI SWEATERS WL KT LC OK CK	54,989	1
3200040	6521740	S-F SHEET WH COT NF BC CRD	54,844	1
1271000	2925070	GARDEN SEED NES EX GRASS SD	54,092	0
2565600	6423000	BOUND BLANK BOOKS DIAPHS ETC	54,538	1
1144562	0372043	SHRIMPS AND PRAWNS, NES	54,355	1
1865000	2919100	HUMAN HAIR TREATED N MFD NES	53,517	1
1133000	0371052	STURGEON ROE	53,100	1
3800045	8421915	M-B ORN CUT COAT NES N KNIT	53,098	1
6854024	7638860	TAPE RECORDS AUDIO AC STEREO	52,800	1
3664600	6584070	CUT T-C NAP NES N-H-B-P PL-W	52,518	1

Appendix 2—Continued

U.S. GENERAL IMPORTS FROM CHINA — JANUARY — NOVEMBER 1978
(OVER \$50,000 VALUE)

TSUSA CODE	SCHEDULE A CODE	COMMODITY	VALUE (\$)	AG NON-AG CODE
3820427	8455048	INFANTS KT SWEATERS MMF ORN	51,040	1
6462624	6940120	-----NAILS ETC GALV IR ST 11A0	51,638	1
3371000	6541020	SLK WOV FAB NO BL ETC NO JAC	51,461	1
3820303	8455080	W KNIT T-TOPS COT L N O ORN	51,306	1
1932560	2929160	VEG SUBSTANCE, CRUDE, NSPF	51,104	0
1453030	0577860	NUTS, EDBLE, NES, NT SHELLD	50,438	0
COUNTRY TOTAL			292,937,310	
FINAL TOTALS			292,937,310	

363 RECORDS TOTALED

Appendix 3

COMMODITIES FOR EXPORT AND IMPORT

The following is a list of some commodities that the Chinese are currently exporting.

Live animals
Meat and meat preparations
Fish and fish preparations
Rice
Fruit and vegetables
Tea
Hides and skins, undressed
Tung oil
Vegetable oils
Edible nuts
Pepper and other spices
Mineral waxes
Gum resin
Fireworks
Fluorite
Crude petroleum and refined products
Tin
Tungsten
Antimony
Glass, glassware, and pottery
Hog bristles
Bicycles
Cameras
Feathers and down
Furs, dressed (except seven embargoed furs)
Handicrafts and works of art
Strawbaskets, hats, and other articles
Musical instruments
Raw silk, silk yarn, fabrics, and manufactures
Cotton cloth and manufactures
Carpets

The following is a list of commodities that the Chinese are currently importing or appear likely to import in the near future.

Wheat
Corn
Cotton
Soybeans and soybean oil
Tallow
Breeding stock
Iron and steel scrap

Steel structurals, plates and sheets
Steel tube and pipe, seamless
Aluminum and semimanufactures
Copper and semimanufactures
Nickel and semimanufactures
Synthetic yarns and fibers
Nitrogenous fertilizers, manufactured
Phosphate rock
Urea
Organic chemicals and dyestuffs
Rubber and rubber products
Plastic materials
Diamonds
Metalworking equipment, including transfer machines and numerically controlled machine tools
Pulp, paper, and papermaking equipment
Ball, needle, and roller bearings
Computers and calculating machines
Telecommunication equipment
Scientific instrumentation
Process control instrumentation
Nuclear power station equipment
Complete plants and technology for power generation, steel making and finishing; petroleum refineries; petrochemicals; synthetic fibers; ammonia, urea, and other nitrogenous fertilizers; phosphate fertilizers; and television tubes.
Pumps, centrifuges and filtering equipment
Mining and construction machinery
Agricultural machinery
Commercial jet transport aircraft and helicopters
Airport ground support equipment, including aircraft landing systems
Trucks, on and off highway
Diesel locomotives and other railway rolling stock
Paper and paperboard equipment
Petroleum exploration, drilling and production equipment
Refinery and other high pressure compressors
Offshore drilling equipment
Power generation equipment, including turbine peaking units

Appendix 4

BEIJING ADDRESSES TELEPHONE NUMBERS

United States Embassy	522 033/39	Feng Tse Yuan Restaurant	332 828
Kuang Hua Lu 17		Hsi Chu Shih K'ou Lu	
Aeroflot	522 181	off Ch'ien-men Wai	
Ma Shao Hu-T'ung		Fire Brigade (Emergency Number)	119
Tung-chih Men Nei		Foreign Languages Bookstore	554 783
Air France	556 531	235 Wang-fu Ching	
Room 4033		Foreign Languages Printing House	893 218
Peking Hotel		Erh Li Kou	
Airport		Foreign Ministry	
Arrival/Departure Inquiries	552 515	Main Switchboard	553 831
CAAC Freight Office (City)	552 945	Americas & Oceania Dep't	552 167
Bookings—Internal	553 245	Consular Dep't	554 687
Bookings—International	557 878	Information Dep't	555 505
Customs	550 054	Protocol Dep't	552 642
Bank of China	330 887	Foreign Trade, Ministry of	550 257
Hsi Chiao Min Hsiang		Tung Ch'ang-an Chieh	
Capital Hospital	553 731	Friendship Hotel	890 621
(Medical and Dental)		Wei Kung Ts'un	
Shuai-fu Yuan		Friendship Store	593 531
Cereals, Oils & Foodstuffs Corp.	528 831	Chien-huo Men Wai	
Tung An Men 82		Hsiang Chiang Restaurant	661 414
Chemicals Corporation	891 289	(Formerly Ch'u Yuan Restaurant)	
Erh Li Kou, Hsi Chiao		Opposite Covered Market	
Ch'eng-tu Restaurant	336-356	Hsi Tan Pei Ta-chieh	
Jung-hsien Hu-T'ung		Hsin Ch'iao Hotel	557 731
Ch'ienmen Hotel	338 731	Ch'ung-wen Men Wai	
Hu Fang Ch'iao		Huan Ch'iao Hotel	558 851
China Council for the Promotion of		(Overseas Chinese Hotel)	
International Trade (CCPIT)	557 809	Chu Shih Ta-chieh	
Tung An Men 82		Huai Yang Restaurant	660 521
China Travel Service	553 509	Hsi Tan Pei Ta-chieh	
Chu Shih Ta-chieh		Hung Pin Lou Restaurant	336 461
Ts'inghai Restaurant	442 846	Hsi Ch'ang-an Chieh	
Tung Szu Pei Ta-chieh		(Near Hsi Tan)	
Chin Yang Restaurant	331-661	International Club	550 602
Hsi Chu Shih K'ou Lu		Chien-kuo Men Wai	
off Ch'ien-men Wai		K'ao Jou Chi Restaurant	445 921
Ch'uan Chu Te Restaurant	751 379	(Now Shou-tu Barbecue Restaurant)	
(Big Duck Restaurant)		Shih Ch'a Hai	
Ch'ien-men Wai Ta-chieh		Light Industrial Products Corp.	556 749
Ch'u Yuan Restaurant		Tun An Men 82	
(See Hsing Chiang Restaurant)		Machinery Corporation	891 243/974
Civil Aviation Administration		Erh Li Kou, Hsi Chiao	
of China (CAAC)		Metals & Minerals Corporation	892 376
Airport Office	552 515	Erh Li Kou, Hsi Chiao	
City Office	555 531	Mintzu Hotel	668 541
Domestic Ticketing	554 415	Hsi Ch'ang-an Chieh	
International Ticketing	557 878		
Cargo Office (City)	552 945		
Chu Shih Ta-chieh			

Appendix 4—Continued

Mintzu Restaurant (Formerly Tung Lai Shun Restaurant) North Entrance Tung Feng Market, Wang-fu Ching	550 069	Railway Station Peking Central—Inquiries Peking Central—Customs Kuang An Men—Inquiries Kuang An Men—Customs Fang Chin Hsiang	554 866 556 242 330 031 331 973
Native Produce & Animal By-Products Corp. Tung An Men 82	554 124	Shou-tu Restaurant Jen-min Lu	554 581
Omei Restaurant Hsi Tan Market Hsi Tan Pei Ta-chieh	660 085	Shou-tu (Small) Restaurant Hsi Szu Nan Chieh	660 925
Peace Hotel Chin-yu Hu-t'ung	553 310	Sinkiang Restaurant Erh Li Kou Road (Near Zoo)	890 721
Peking K'ao Ya Restaurant Capital Hospital Road off Wang-fu Ching	750 668	Swiss Air Room 1735 Peking Hotel	556 531
Peking Exhibition Center -Hsi Chih-men Wai Ta-chieh	893 417	Taxi Service International Club Central	593 888 557 461
Peking Hotel Tung Ch'ang-an Chieh	552 231/556 531	Textiles Corporation Tung An Men 82	550 258
Pien Yi Fang Restaurant (Now Shou-tu K'ao ya Tien- Small Duck Restaurant) Hsien Yu-k'ou Hu-t'ung	750 505	Tungfang Hotel Kwangchow	30 690
Post, Telephone, Telegraph Building Hsi Ch'ang-an Chieh	664 900		

Market Profile—PEOPLE'S REPUBLIC OF CHINA

Foreign Trade

Imports.—1978, \$10 billion; 1977, \$7.1 billion. Principal suppliers: Japan, Federal Republic of Germany, Australia, Canada, Romania, United States, United Kingdom and France. Principal imports: Machinery and equipment, grain, steel, textile fibers (natural and synthetic), nonferrous metals, and fertilizers.

Exports.—1978, \$10 billion; 1977, \$8 billion. Principal buyers: Hong Kong, Japan, Romania, Singapore, Federal Republic of Germany, and United States. Principal exports: Foodstuffs, textiles, crude oil, clothing, chemicals and handicrafts.

Trade Policy.—Foreign trade is a state monopoly conducted principally through 10 foreign trade organizations. Recent changes: Central ministries playing greater role in trade negotiations, industrial corporations formed under ministries, greater flexibility in trading practices, ideological opposition to borrowing on international money markets dropped. Foreign trade gains importance in 1976-85 Ten Year Plan. Import of complete plants, equipment and advanced technology needed for achieving ambitious plans targets. Major drive under way to expand export production and improve competitiveness of exports.

Trade Prospects.—Direct trade with the United States resumed in 1972; potential for U.S. exports appears good. Apparent best prospect categories: Agricultural commodities; complete plants; machinery and equipment for the power, coal, petroleum, steel, nonferrous metals, electronics, transport, and food-processing industries; agricultural machinery; and industrial raw materials.

Foreign Investment

No direct investment has been allowed in China since 1950. A change in policy is under consideration, however.

Finance

Currency.—Renminbi (RMB, the People's currency), basic unit, yuan (December 30, 1978: 1.58 Yuan = \$1). Highly stable; not internationally convertible.

Banking System.—Centrally controlled Government monopoly. Bank of China conducts foreign transactions.

Balance of Payments.—Beijing has excellent credit rating; foreign exchange reserves (not including gold) are roughly estimated at \$2-\$3 billion in early 1979. Trade surpluses in 1976 and 1977 appear to have improved the balance-of-payments position considerably.

Economy

Predominantly agricultural; characterized by centralized planning, administration, and control. GNP—1978 preliminary estimate of \$407 billion in 1977 dollars; estimated annual rate of growth 1952-78, more than 6%.

Agriculture.—Characterized by intensive farming and high yields; irrigation is common, crop rotation practiced; fruits grown in great variety. Principal crops: Rice, wheat, potatoes, soybeans, cotton, tea, silk, and tobacco. Present emphasis on increasing productivity.

Industry.—Principal industries: Iron and steel, coal, textiles, food processing, machine building, petroleum. Average annual rate of industrial growth 10%.

Tourism.—Major effort under way to expand tourist facilities. Negotiations are continuing with several foreign companies for the construction of hotels in Chinese cities.

Economic Plan.—In March 1978, China announced a new Ten-Year Plan (1976-85) for modernization of agriculture, industry, national defense, and science and technology that would propel China into the front ranks of the industrialized nations of the world by the year 2000. Plan calls for agricultural production to increase 4 to 5% annually. Industrial growth must average more than 10% annually. Plan calls for 120 key projects, including: 10 new steel plants, 9 nonferrous metal complexes, 10 new oil and gas fields, 8 coal bases, 30 electric power stations, 5 harbors, and 6 trunk railroads. Other major projects will include truck and diesel engine plants, color television and integrated circuit plants, and a domestic satellite communications system.

Basic Economic Facilities

Transportation.—All major transportation facilities are State-owned. More than 880,000 km of highways, 52,000 km of railroads, and about 176,000 km of inland waterways, 25% of which are navigable by steamer.

Communications.—Well-developed telegraph service; nationwide radio network; limited telephone and TV systems.

Power.—Generating capacity on Jan. 1, 1978 about 40.5 million kW (62% thermal, 38% hydroelectric) and production about 136 billion kW-hr. in 1977.

Natural Resources

Land.—3.7 million square miles, mostly mountainous or hilly, only about 10% cultivated, 8% forest.

Climate.—Generally temperate in north and subtropical in south. Annual rainfall increases from north to south (25 inches in Beijing, 75 inches in Guangzhou).

Minerals.—Coal, iron ore, oil, tin, antimony, tungsten, mercury, molybdenum, silver, lead, copper, zinc, and bauxite.

Population

Size.—Estimated at 1 billion in mid-1978, 85% rural. More than 8.5 million in Beijing City, capital and most important commercial center; other principal cities (in millions): Shanghai (12.5), Tianjin (7.5), Shenyang (4), Wuhan (3), and Guangzhou (3).

Language.—National language is Chinese. Principal dialects: Beijing (Mandarin—official), Cantonese, Shanghai, Fukienese, Hakka.

Education.—A significant shift in educational policy has taken place since 1977. Current emphasis is on academic excellence and on scientific research. A number of universities have been reopened, and 153 new specialized colleges will be established. Plans call for sending a large number of students to study abroad.

Labor.—Working age population estimated at 565 million, 406-452 million are in agriculture.